

JPRS-NEA-89-021  
16 MARCH 1989



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# ***JPRS Report***

## **Near East & South Asia**

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JPRS-NEA-89-021

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16 MARCH 1989

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## REGIONAL

### Turkey Offers Military Expertise to Gulf States

44000355a Kuwait *ARAB TIMES* in English  
31 Jan 89 p 4

[Text] Abudhabi, Jan 30, (KUNA): A senior Turkish military official, in remarks published today, offered his country's expertise in military training and defence industries to the United Arab Emirates and other members of the Gulf Co-operation Council states.

Chief of the Turkish General Staff General Necip Torumtay, in an interview with the Abu Dhabi-based daily *EMIRATES NEWS* hailed the "many common bonds" linking Turkey with the UAE, and called for closer co-operation between them.

Torumtay noted in particular the importance attached by both countries to regional peace and security and the special friendship existing between UAE President Sheikh Zayid Ibn-Sultan Al Nuhayyan and Turkish President Kenan Evren.

#### Relations

Torumtay who arrived in the UAE on Saturday said he hoped his visit would lead to strengthening of relations between the two countries and their extension "to cover new fields of co-operation such as military training and defence industries."

He noted that increasing costs of weapons production required proper feasibility studies although "it is quite natural that a country wishes to manufacture its own weapons."

Torumtay said "I believe that within the framework of regional benefits, by realising joint projects with the UAE and with other members of the GCC, to procure identical requirements, it will be possible to modernise our weapons systems in the most economical manner."

#### Agreements

He pointed out that Turkey already has training agreements with a number of countries in the Middle East but said he believed defence industry co-operation was "more important."

"By taking into consideration the similar requirements in the region and by establishing consortia which will meet the needs of the region it will be possible to develop joint production projects," the *EMIRATES NEWS* quoted Torumtay as saying.

### Jordanian-Syrian Cooperation Agreement Signed

44000353 Amman *JORDAN TIMES* in English  
12 Feb 89 pp 1, 2

[Text] Amman (J.T.)—The Joint Jordanian-Syrian Higher Committee concluded its latest meeting here Saturday with the signing of minutes which spelled out agreement to boost cooperation in all fields.

Prime Minister Zayd al-Rifa'i and his Syrian counterpart Mahmud Zu'bi signed the minutes in the presence of the Jordanian and Syrian delegations attending the meetings. Following the signing ceremony, Zu'bi described the outcome of the committee meetings as major achievements and a source of pride for the people of Jordan and Syria.

The Syrian prime minister said the talks were conducted in a responsible atmosphere, with both sides keen on promoting cooperation and coordination with a view to enhancing the socio-economic structure being built under the directives of his majesty King Husayn and Syrian president Hafiz al-As'ad.

The committee tackled all subjects on its agenda with sincerity, confidence and positivity, Zayd al-Rifa'i said.

"Jordan and Syria are totally committed to the principles of cooperation and to unifying steps in implementation and follow-up of project they have undertaken to carry out," Zu'bi told Petra.

"It was due to the credible and genuine brotherly atmosphere that prevailed at the meeting that the two sides agreed to exchange goods worth \$200 million during this year," Zu'bi said. He predicted increased activities in joint Jordanian-Syrian projects and companies soon.

Al-Rifa'i and senior officials saw off the Syrian premier at the airport.

At the ceremony marking the signing of the minutes of the joint committee meeting, Al-Rifa'i made a brief speech voicing happiness and deep satisfaction with the outcome of the meeting and said its decisions were bound to contribute to the achievement of the two countries' aspirations. He said the committee had agreed on launching a programme to identify more fields for Jordanian-Syrian cooperation and joint action to serve the common goals of the two sides.

At the ceremony, Zu'bi paid tribute to the king's pan-Arab policies and national stands in service of the Arab World. He said his meeting Thursday with the king was marked with frankness, clarity and national spirit "which reflected the king's relentless efforts to bolster collective Arab action."



The minutes of the joint committee meeting mainly tackled 13 points as under, according to Petra:

1. General cooperation:

The two sides formed a sub-committee to oversee oil and mineral resources industries, and another to supervise the implementation of joint projects in agriculture and supply. They decided to call sub-committees for a meeting in two months' time to discuss their programme and report to the higher committee.

2. Joint companies:

The two sides reviewed the work of joint companies and decided to convene a meeting of the general assembly of the land transport company and discuss ways to expand its fleet. They reviewed reports on the joint maritime company and its revenues and profits, and discussed ways for reducing burdens on the joint industry company. The industry company is responsible for a carpet plant. The plant will retain foreign currency collected from its exports to finance the procurement of equipment and more efforts will be made by both countries to market its products in other markets.

The two sides reviewed steps taken in the implementation of a pesticides project and decided to speed up measures on a feasibility study for the scheme.

3. Trade:

The two sides decided to fix the ceiling of trade between the two countries in 1989 at \$200 million and to allow their respective trade centres to sell up to \$10 million worth of national products. The two sides decided to organise trade exhibition to sell \$5 million worth of products directly to the public and to provide facilities for each other in trade deals. It was decided that a joint economic sub-committee should meet in Damascus in a month's time to discuss lists of products to be sold in either country.

4. Transport:

The two sides reaffirmed their commitment to a joint transport and transit agreement and transit agreement signed in 1975 and the Syrian side agreed to a request by Jordan to charter Syrian planes to transport agricultural crops provided ample time in advance is given with the request.

5. Electricity:

The two sides reviewed measures being taken to link the national grids and current cooperation in exchanges of information and expertise in electricity and in providing training to technicians and in cooperation in renewable energy.

6. Contracting:

The two sides recommended that the concerned authorities launch cooperation in contracting and benefitting from manpower and technical potentials in both countries.

7. Agriculture:

The two sides reviewed agricultural cooperation and decided to provide each other with expertise, potato seeds and fruit tree saplings. They also agreed to cooperate in combating desert locusts, and to entrust a joint committee to help launch agricultural integration and to help promote the marketing of fruits and vegetables produced in Syria and Jordan in foreign countries.

8. The Jordan Agricultural Marketing and Processing Company (JAMPCO):

The two sides agreed that JAMPCO will purchase the following from Syria during 1989: apples, apricots, cherries, pears, dried figs, raisins and canned fruit and vegetables as well as potato seeds, while Syria will study possibilities of importing Jordanian lemons, tomatoes and eggplants.

9. Royal Jordanian:

The two sides agreed that the two national airlines hold a meeting to chart a plan for Syria to pay its dues to Royal Jordanian as soon as possible.

10. Pharmaceuticals:

Syria and Jordan agreed to take measures to implement contracts related to trading in pharmaceuticals produced in either country.

11. Glass:

The two sides agreed on measures for import/export operations concerning glass produced in either country.

**Kuwait Finance House To Expand, Establishes Turkish Subsidiary**

44000355b London *THE MIDDLE EAST* in English  
Feb 89 p 28

[Article by Mushtak Parker]

[Text] Kuwait Finance House has earned itself a reputation as the Gulf's most sophisticated Islamic bank, and in 1989 it is set to expand its operations abroad following what it sees as increased trade finance opportunities in post-war Iraq. Its most important recent move has been to establish a subsidiary in Istanbul, Turk-Kuvayt Evkat Finans Kurumu. KFH will be the major shareholder with a 45 percent stake, along with Turkiye Vakiflar Bankasi's two pension funds (30 percent), the Kuwait Public Institution for Social Security (10 percent), the Jeddah-based Islamic Development Bank (10 percent),

International Turnkey Systems (a KFH computer software subsidiary) with 4 percent, and 1 percent for Adnan al Bahar, KFH's general manager.

The new institution's general manager is Fahmi, no stranger to Islamic banking. He was until recently the acting general manager of Faysal Finance Institution, a subsidiary of the Geneva-based Dar al-Mal al-Islami (DMI), headed by Prince Muhammad of Saudi Arabia. Fahmi left under controversial circumstances and THE MIDDLE EAST understands that Faysal Finance's two foreign trade marketing companies are under investigation by the Turkish authorities for tax irregularities.

Fahmi has had long-running difficulty with DMI's top management for the last two years. Islamic bankers in Turkey claim that he has been treated badly by DMI and was against the dealings of the two marketing companies. He is also said to have been constantly undermined by a Faysal Finance board member, which made his job almost impossible. Hence the resignation a few months ago.

KFH, which is 49 percent owned by the Kuwait government, is also negotiating with the authorities in Baghdad to open an office there to finance bilateral trade between Iraq and Turkey. "We are very keen to break into the Turkish trade finance market. There is big potential there. We eventually hope to open more branches in Turkey in cities such as Ankara, Izmir and Konya. We are also hoping to finance Kuwaiti-Iraqi reconstruction business," explained Dr Khalid al-Buda'i, the assistant general manager for finance, to THE MIDDLE EAST.

Recently, the bank participated in its first international syndication under Islamic banking principles, for a \$100m Murabahah (sale and purchase) facility over six months for the Rice Export Corporation of Pakistan. The syndication was lead managed by the Faysal Islamic Bank of Bahrain and the Islamic banking window of the Arab Banking Corporation.

The bank already has an extensive correspondent network with British and other international banks, and has recently also increased its stake of 20 percent in the Luxembourg-registered Islamic Finance House (IFH) Holdings Ltd, which wholly owns the International Islamic Bank of Denmark. It is also slowly venturing into new investments especially in real estate in South-East Asia, especially Singapore, Malaysia and Thailand.

The international link which KFH perhaps would most like to highlight is with the Visa credit card company. Earlier this year it launched the Tamwil Visa Card—but with a difference. The card operates like an ordinary Visa card but KFH, because it operates under Sharia banking principles, does not charge any interest on late payments. Limits for Tamwil Visa card holders are set according to the financial status of the customer. According to Al-Buda'i, the card has attracted great attention and has over 1,500 subscribers.

Only a few years ago the bank, which is owned 51 percent by the Kuwaiti public, was plagued with problems after investing heavily in real estate portfolios and suffering losses due to the subsequent fall in real estate value. The Finance Ministry stepped in and ordered a restructuring of KFH's investment portfolio away from real estate.

A management reorganisation saw new managers brought into the bank. The international investment manager, Adnan al-Bahar, took over as general manager, and five young assistant general managers were appointed to assist him. The chairman, Ahmad Bazzi al-Yasin, became less involved in the day-to-day running of the bank.

Despite the problems over real estate losses, to the bank's credit it is one of the few banks in Kuwait not to have been tainted by the Suq al-Manakh unofficial stock exchange collapse and has steadily increased its client base even during its difficult period. Today KFH enjoys just over 15 percent of the total deposit market share in the Kuwaiti banking sector. For a bank with assets totalling \$3,725m at the end of 1987 (up 22.7 percent on 1986)—thus putting it on par only with the smallest commercial banks in the country—this is a remarkable achievement, underlining the potential and demand for Islamic banking in Kuwait, which was one of the Muslim states which pioneered the phenomenon.

While many other Kuwaiti banks have reported lower profits or losses due to heavy provisioning against bad loans last year, KFH increased its net profit to KD24.53m compared to KD20.56m in 1986. "We have had some local debt exposure, but substantially less than other banks in Kuwait. Our provision for doubtful accounts (in Murabahah) totalled only KD11.33m last year and this year it will be much less," confirmed Dr Al-Buda'i. Similarly, return on equity totalled 6 percent in 1987 compared with 5.8 percent last year. Return on investments were all up, too, on 1986.

KFH, capitalised at KD23.14m and with total assets of KD1.08bn (at end of March 1988) is expecting a bumper year in 1989, according to Al-Buda'i: "Kuwaiti private funds are coming back from abroad following the stock market crash in the West last October. There has also been upward movement in real estate prices. The end of the Gulf War is very encouraging since the whole region will benefit from the reconstruction boom. Also a Harvard/MIT team is working to develop a new strategy for the Kuwaiti economy. What is good for the country's economy is good for us as a bank."

## PALESTINIAN AFFAIRS

### Alternative Education in West Bank, Gaza Considered

44000333 Amman JORDAN TIMES in English  
26-27 Jan 89 p 3

[Article by Najwah Najar]

[Text] Amman—An open education system is under strong consideration by Palestinian educationalists in

the occupied territories to counter the repeated closure of higher education institutions by the Israeli occupation authorities, Bi'r Zayt University President Hannah Nasir said Tuesday.

Dr Nasir, who heads the Bi'r Zayt Liaison Office in Amman after being expelled by the occupation authorities in 1974, said an additional 15 to 20 percent of the 17,000 university students, who are deprived of classrooms because of the closures, will benefit from the open system.

All six universities in the occupied territories have been totally closed since the Palestinian intifadah in the occupied West Bank and Gaza Strip began 14 months ago. During this time students have received "some education" through lessons given in homes or at coffee shops and through correspondence, Nasir said.

"Some students have been able to complete the credits necessary and graduate," he said, adding that 30 percent of those students who were supposed to graduate last year actually did.

"However, this is only a partial solution. We are searching for alternative and modified ways and means to handle the problem and to offer education to more students... The open university system is now being tried," he said.

Such a system would help the students "since they do not have to come to classes, rather the education comes to them."

According to Nasir, 35 to 40 percent of the students have taken advantage of the teaching methods presently being implemented in the occupied territories. He said that this number will rise to 55-60 percent once the open university system is implemented. The al-Quds Open University in Jordan will be providing models and programmes "to achieve some kind of education for Palestinians in occupied territories who have been denied access to education for the past two years."

Previously universities in the occupied territories have been closed for a period of one week to four months. "This is the first time that all universities have been closed at the same time for such an extended period of time," Nasir said.

Despite the prevailing situation in the occupied territories and the pending risk for the education of a nation, Nasir asserted that the students' morale is high.

"The best indication of the students' morale is that they make up the backbone of the intifadah. I believe that the students have faced the challenge of liberation and education beautifully," he said.

Nasir said he believes the intifadah is the "best thing that has happened for education over the past 14 years." He pointed to the solidarity and the cooperation of students,

teachers and faculty members, citing the committees formed by the older students to help the younger generation's education as one such example.

Although some educationalists claim that one or two years of lost education is a setback in a general sense, Nasir said the students consider this as a minor sacrifice for their independence.

He said that efforts are being made at the United Nations and United Nations Education, Scientific and Cultural Organisation (UNESCO) to pressure Israel into reopening Palestinian educational institutions in the occupied territories.

"We must face the Israeli challenge, which aims to hinder the education of the Palestinian people, in an insistent manner," said Nasir.

He pointed out that the Israeli authorities claim that the closure of educational institutions is justified for allegedly "being centres of incitement." But, the truth of the matter is that the Israelis "are afraid of the education of Palestinians and they realise that education is the backbone of liberation."

Supporting his assertion, Nasir said if the Israeli authorities were only against the amassing of students and not against the education, "then they would not crack down on the few students who congregate in homes or shops to take lessons."

## ALGERIA

### Water Reserve Levels Remain Critical

45190039b Algiers EL MOUDJAHID in French  
1 Jan 89 p 4

[Text] People's everyday life and the nation's economic development depend on water, the source of life. The most recent torrential rains have created enormous hopes. The drought has put added emphasis on the problem of water supplies, which, after all, is still with us.

The shortage of drinking water for the people and for industry, and the lack of water for irrigation lead one to wonder why the problem is so acute. Is it a temporary lack of rainfall? Or does the problem lie in the inability of the country and its infrastructure to mobilize and exploit its water resources?



### Potential Water Resources

Water resources have been evaluated by the competent technical staff of the Ministry of Water Resources. Their study shows that for the northern part of the country, surface water is estimated at 12.4 billion cubic meters and groundwater at 1.7 billion cubic meters.

However, the distribution of surface water is very heterogeneous over the national territory. The Tell, which accounts for only 7 percent of the territory, receives 92 percent of the total runoff. The same heterogeneity is also observed from east to west in the Tell, since the basins in the center and the east receive 80 percent of the total. In the steppes and the Saharan Atlas, extremely small amounts of surface water are found in the form of temporary flooding. Contrary to surface water, groundwater constitutes a directly exploitable resource (1.7 billion cubic meters).

### Water Resources From September to the End of December 1988

Dams	Wilaya (Province)	Annual Average	Sep-Dec 1988	Percentage
Beni-Bahdel	Tlemcen	14.11	2.34	17
Meffrouch	Tlemcen	2.46	0.80	33
Ouizert	Mascara	26.14	3.50	13
Bou-Hanifia	Mascara	21.30	6.94	33
Fergoug	Mascara	9.02	6.18	68
Ghrib	Ain-Defla	44.30	15.11	34
S.M. Ben-Aouda	Relizane	27.56	18.41	67
Zardezas	Skikda	13.58	12.01	88
Cheffia	Tarf	41.20	4.87	12
Djorf-Torba	Bechar	71.43	41.27	58
Hamiz	Boumerdes	15.40	11.47	72
Keddara	Boumerdes	8.42	8.09	96
Beni-Amrane	Boumerdes	109.88	77	70

### Mobilization of Water

Today over 80 percent of groundwater and 15 percent of surface water are being mobilized. Contrary to groundwater, surface water is not completely usable.

The current mobilization rate for surface water is only 30 percent of the actual capacity of infrastructures and dams. Today only 6 billion cubic meters of rainwater are collected out of some 13 billion in total rainfall.

The policy for mobilizing surface water by using dams did not really take off until the first 5-year plan (1980-84). Progress came rapidly after that, and there are now 37 dams in operation. Exploitable resources have increased from 550 million cubic meters just after independence to 1.7 billion today. There are 13 dams currently under construction or nearly completed. This will bring the rate of exploitable resources to nearly 3 billion cubic meters. Hillside retaining structures are an important adjunct to the large dams, and nearly 700 of these have been built to mobilize about 60 million cubic meters.

### Lack of Rainfall

Today the population is allowed from 100 to 150 liters a day per inhabitant; this is a minimum in view of the international standard. Restrictions that may be applied during drought periods can only make water supply conditions more difficult for the people.

Despite the rain and snowfall, there was still a shortage for the year at the end of December.

The staff of the Ministry of Water Resources has said that unfortunately the situation is still troubling and even very troubling in the western part of the country. A statement of reserves reproduced below gives an idea of the fill rates of the dams used to supply water for drinking and industrial purposes. Dams used exclusively for irrigation, whose total capacity is a little over 1 billion cubic meters, only have a reserve of 250 million cubic meters at the present time.



**Reserves and Fill Rates of Dams at End December 1988**

Dams	Wilaya (Province)	Useful	Current Volume	Percentage
Beni-Bahdel	Tlemcen	56	2	4
Meffrouch	Tlemcen	14	0	0
Ouizert	Mascara	100	1.95	2
Bou-Hanifia	Mascara	51	2.33	4
Fergoug	Mascara	4	1.93	50
Ghrib	Ain-Defla	165	35	19
S.M. Ben-Aouda	Relizane	229	45	20
Cheffia	Tarf	168	15	9
Djorf-Torba	Bechar	217	115	53
Hamiz	Boumerdes	16	8	50
Zardezas	Skikda	20	12	62
Keddara	Boumerdes	146.6	18	12
Beni-Amrane	Boumerdes	17	17	100

The situation remains critical, we are told, but it varies depending on the population center being evaluated.

For Annaba and its industrial zone, the situation has not improved. Its main source of water, the Cheffia dam, has only 17 million cubic meters in its reserves.

The situation in Oran remains serious, since the major dams that supply it, namely Beni Bahdel, Fergoug, Bouhanifia, and Ouizert, are still shut down.

Since the last rainfall, however, the water pumped from Cheliff has been taken from the natural deposits of Oued and not from the water released by the Sly dam.

For the capital, the Keddara dam has seen its reserves go from 2 million cubic meters to 12 million, not counting the quantities that had to be transferred from Hamiz (2 million cubic meters) and Beni Amrane (12 million cubic meters). The resources of this dam are considerable and give hope for larger transfers of water. On the subject of this dam, the transfers only began a little over a week ago, after it was filled last month. We were told that this is due entirely to the fact that the water was concentrated in solid materials and had to be filtered.

Overflow is normal, since the transfer capacity of the facilities is lower than the supply. The surplus water will be mobilized by the Koudiat Acredoune Dam, which is scheduled to begin operating next year.

### EGYPT

#### Shura Council President Discusses New Session, Issues

45040064 Cairo AKHBAR AL-YAWM in Arabic  
5 Nov 88 p 4

[Interview with Shura Council President Dr 'Ali Lutfi by Fatimah Barakah in Cairo; date not given]

[Text] [AKHBAR AL-YAWM] At the end of the previous session, several Shura Council deputies expressed the view that the Council should have its own legislative

jurisdictions and that all bills should be submitted to it before they are submitted to the People's Assembly in order to ensure the issuing of integrated legislation. From your point of view, does this demand represent a basic right of the Council? How do you visualize the Shura Council's role in the present and future?

[Dr 'Ali Lutfi] In fact the Council does have a real and effective legislative role, although it is not of a controlling character as it is in the case of the People's Assembly. According to the constitutional provisions, all bills relating to the constitution, the economic or social plan, and foreign policy matters, including treaties, particularly those dealing with questions of land and sovereignty, are submitted to it. That is, all important bills should be submitted to it. Otherwise, the Constitutional Court is empowered to declare such bills legally invalid.

It might be said that the Council's opinion is merely consultative, which is true. But I believe that this does not diminish the Council's legislative contribution, which is evident in the thoroughly studied views and experience it provides in this regard. The relations between the Council and the government are close, effective, and constructive. Although the Shura Council does not have the same legislative procedure applied in the People's Assembly, yet what matters is its contribution [to legislation] and its role in shaping policies. For example, the United Kingdom does not have a written constitution. Does this mean that the constitutional bodies are not playing their role or that democracy there is deficient?

[Dr 'Ali Lutfi] I believe that your question was bound to be raised and would have been of a strongly urgent nature had the executive authority not been listening and responding to the Council's views. But as long as the relations [between the executive authority and the Council] are, as I said, constructive and effective, then the method of legislation would no longer be the basic issue. I would like to stress here that the door is not closed to

the Shura Council in terms of their entering a stage of legislation and control. This matter cannot be positively or negatively decided at present. Rather, it is decided in the light of the circumstances and dictates of the democratic experiment we are experiencing.

As for the Shura Council's role in the future, this role lies in deepening democracy, the Council being a parliamentary legislative council that is sensitive to the masses' feelings, aspirations, and concerns which it translates into studies and opinions by which it contributes to the shaping of the executive authority's policies and decisions.

It is true that the executive authority by its nature is sensitive to the masses' problems and concerns and works out solutions and policies for them, yet the legislative authority, the Shura Council being one of its two bodies, continues to play an important role. The Shura Council consists of people's representatives, although some of its members are appointed. Its mission is to convey the people's desires and demands. Consequently, the Shura Council has an important role to play at present by helping to formulate policies relating to major economic and social issues facing our society and by proposing solutions acceptable to the people in dealing with the challenges facing them—whether these challenges concern strategic matters such as increasing the production rate in order to exceed or, at least, maintain level with consumption, or whether they concern daily problems such as curbing price increases, solving housing problems, creating jobs, combatting illiteracy, tackling the demographic problem, family planning, landlord-tenant relations, and so on.

This is in addition to the urgent legislative task of seeking to unify the legislation that has proliferated, thus becoming a burden and an obstacle, and simplifying this legislation so that production and trade, especially foreign trade, will be facilitated.

On the other hand, the Council's task is to strengthen the independence and freedom of the press so as to be up to the challenges we are facing.

[AKHBAR AL-YAWM] Do you believe that the relation between the executive and legislative bodies has matured and grown, or is there still a need to strive for further common understanding?

[Dr 'Ali Lutfi] I can say that the foundation for the relation between the executive and legislative bodies has in fact been laid through the prerogatives of the People's Assembly and the Shura Council and the nature of their structure. What is important now is to strengthen that foundation, whether through political participation in decisionmaking, as is now taking place in the two councils, or through the expression of differing views in the hope of enhancing public awareness of all current affairs.

I would like to stress the fact that the executive bodies never seek to make decisions on their own, for they are aware that unless there is public participation, both in awareness and in action, their decision would still need support so that it could be effectively implemented. In other words, participation [in decisionmaking] by the legislative bodies is not some kind of concession on the part of the executive bodies; rather it is a necessity for the required common understanding between them, an understanding that is becoming deeper through practice.

I believe that common understanding between the two sides will remain a principal objective, particularly since no one disagrees over the national issues. The implications of these issues are known and so are the ways to deal with them. This calls for joint efforts by the constitutional bodies in order to mobilize resources and efforts to heighten awareness and to deepen democracy.

[AKHBAR AL-YAWM] The Council is credited with the constructive reports it prepared during the past 8 years. What were the most important subjects and issues the Council discussed and debated in the past, and what are the most important topics and issues it will deal with in its new session so that it can continue its progress in the desired manner? What have been the most important achievements since you took over the presidency of the Shura Council in November 1986?

[Dr 'Ali Lutfi] The Council's accomplishments during the 8 years since its establishment include 58 reports dealing with public affairs and national issues. They are indeed documents of which the Council is proud.

As for the most important topics and issues the Council will deal with in its new session, these comprise, for example, unemployment, jobs, the public sector's role in the development plan, utilization of loans, inheritance tax, title deed fees, agricultural production, exportation, stability of educational policy, food safety, addiction, social responsibility (zakat) [alms], childhood, combatting illiteracy, medicine, tourism, etc.

This is in addition to any issues that may crop up and which the Council's general committee may see fit to discuss and prepare reports on. Furthermore the Council carries out its task of studying bills submitted to it in order to give its view on them.

As for what has been accomplished since I had the honor of presiding over the Council, I have studied problems of workers and work and sought to resolve them immediately so that work could be carried out without problems or hindrances. I have, for the first time in the Council's history, appointed a secretary general for the Council so that he will conduct work in the general secretariat. I have also issued a special regulation defining workers' rights and obligations established on a clear and unequivocal basis. I have also issued a regulation for medical services and social care for workers for which a new administrative board is to be set up in order to

implement the regulation provisions to provide care for workers and their families and offer them health and social services as well as organizing summer resorts and outings for them.

With a view to providing workers with information and expertise that would help them to carry out their work in the best manner possible, training courses have been organized for workers employed by the Council. These were prepared by the Central Council for Organization and Administration, and three training sessions have been organized. Financial awards have been given to the outstanding ones in these sessions. Training courses have also been organized for those employed in the committees with the aim of developing their skills and training them on how to follow a scientific course in carrying out research. Outstanding trainees are awarded certificates of merit. Researchers will be appointed in the committees so as to benefit from their expertise in preparing reports.

The Shura Council reports have been printed in order to be sold at cost price in view of the great demand for such reports. A special pavilion will be open in the Cairo International Book Fair next January in order to exhibit and sell the Council's reports to the public. Also, a new committee for agriculture, irrigation, and land reform has been set up in addition to the Council's existing five committees, bringing the total committees to six—all of which study and prepare reports on subjects concerning them so that they will be submitted to the Council for discussion and approval.

As for foreign affairs, believing that people's diplomacy effectively strengthens ties between countries, I have led a Council delegation which visited Poland, Hungary, and Romania. We have held important and successful talks with leaders of these countries. I would like to say that this visit enabled the Shura Council delegation to feel the strong support leaders of these three countries lend to president Husni Mubarak's initiative to achieve just peace in the area. The visit also gave us the chance to get acquainted with the economic reform and the steps these countries have taken in dealing with their foreign debts.

[AKHBAR AL-YA'WM] How do you view the opposition inside the Council and what it contributed during the past 3 years?

[Dr 'Ali Lutfi] Generally speaking, the importance of opposition in any legislative institution is known to lie in the interaction between different views when an issue is brought up for discussion with the aim of reaching the best solution for it.

With this in mind, we would observe that such interaction is taking place in the Council in great depth despite the small number of opposition deputies, because this compensates for the nature of the Council's structure since two-thirds of its deputies are appointed. They are

appointed on the basis of their experience in various fields. Such arrangement enables the interaction of many ideas and the holding of in-depth discussions with the aim of reaching a sound decision and giving useful advice. I would like to stress that the relationship between the majority, which represents the National Democratic Party, and the minority, which represents the opposition parties, is good and based on mutual respect.

[AKHBAR AL-YA'WM] What about the Higher Press Council and the committee on political parties affairs?

[Dr 'Ali Lutfi] With regard to the Higher Press Council, it has, since I became its chairman, accomplished some things. These achievements include the implementation of Article 110 of the Journalists Union Law concerning the end-of-service award, from which all the journalists whose services came to an end have benefitted. The Council also subsidized some press establishments in order to enable raising minimum wages, increasing basic pay to their employees, and payment of allowances for reference materials to every journalist registered with the Journalists Union.

During the period from 7 December 1986 and up to its last meeting on 13 September 1988, the Council approved the publication of 55 new newspapers, extending the service of 159 persons who worked in press establishments, and permitting 187 journalists to work with non-Egyptian media.

With a view to enhancing press freedom, enriching democracy, and upholding the right of the reader and the society in general, the Higher Press Council prepared eight reports about press practices in the Egyptian press and strengthening human and professional values. The Council also organized training sessions for journalists and administrators in the national, party, and regional press establishments in order to improve their performance.

The Higher Press Council also issued the model regulation for financial and administrative affairs at the national press establishments which include rules concerning those working in the establishments with regard to appointment, wages, promotions, allowances, incentives, profits, the transfer of employees, and the employees' duties. The regulation provisions organize the system of purchasing and leasing land and buildings necessary for the achievement of the establishment's objectives. The regulation provisions also organize the function of warehouses, supplies to them, and their various records.

With regard to the committee on political parties, this committee carries out its jurisdictions with a judge's conscience, because the law on political parties has set certain conditions which must be met for the establishment of a political party. When an application to establish a party is submitted, the committee looks into it to



see whether all the conditions stipulated by the law are met, and if so, a permit to establish would be issued. If it is found that it does not, then the committee would object to its establishment, giving the reasons for its objection. The committee's decision is subject to judiciary control.

I would like to point out here that, since I had the honor of chairing the committee on political parties, the judiciary rejected all the appeals against its decision. This proves that the committee decides on applications for the establishment of parties with a judiciary spirit based on the law.

[AKHBAR AL-YAWM] We heard that you have been nominated as a candidate for the chairmanship of the Al-Ali Club administration board, and that you have rejected this. Why?

[Dr 'Ali Lutfi] Yes, I have indeed been offered this position but I turned it down because the Al-Ahli Club responsibilities are many. My responsibilities too are many; being chairman of the Shura Council and of the committee on political parties, I have no time to give to the club. Therefore, I declined.

#### **Makram Muhammad Ahmad Elected Dean of Journalists**

JN0703120089 *Cairo AL-AKHBAR in Arabic*  
5 Mar 89 p 3

[By Safwat Muhammad]

[Excerpts] Amid a marvellous show of democracy, Makram Muhammad Ahmad was elected president of the Journalists Union on Friday. He won 1,143 votes, while his opponents Kamil Zuhayri and Ibrahim Hafni won 571 and 62 votes, respectively.

Makram Muhammad Ahmad said he will be a soldier exerting every effort to promote journalism. He also said that he will not abandon the responsibilities entrusted to him by the multitudes of journalists and that he will continue the successful unionist policy pursued by his predecessors such as the late 'Ali Hamdi al-Jammal, who refused during his presidency to remove any journalist from the union's list. [passage omitted]

The union's general assembly issued a number of decisions and recommendations such as the setting up of a fellowship fund with an independent budget for union members. The assembly also agreed that the union council shall fix membership fees and take the necessary measures to return dismissed members to their jobs. It said that whoever fails to implement the decision shall be liable to punishment. The assembly stressed its commitment to the previous decision to prevent the normalization of professional and personal relations with Israel until the Palestine question is resolved. [passage omitted]

#### **Columnist Sees Economic Problems as Cause of Extremism**

45040199B *Cairo AL-AKHBAR in Arabic* 12 Jan 89 p 3

["Words" column by Mahmud 'Abd-al-Mun'im Murad]

[Text] That brand of religious extremism which goes so far as to repudiate society, rebel against it, and use violence and terrorism in dealing with it must have reasons for doing that. It is my opinion that one reason, even if it is the economic crisis, is not enough justification for religious extremism.

Let me say that even if the economic crisis were the cause behind this religious extremism—that is because I almost believe it is the only cause—we have to realize from now on that nothing decisively useful will be accomplished by attempting to do away with religious extremism, blind fanaticism, and violence by using more violence and more bullets or by delivering speeches, giving advice, talking, and having discussions with moderate, enlightened clergymen. Instead, changes have to be made in the conditions which created this pernicious corruption. In my opinion, these conditions are simply and exclusively economic.

This means that we have to do everything in our power to moderate the situation so we can have an opportunity to eliminate the phenomenon altogether. The economic crisis, which is the principal cause of this religious extremism, requires laborious efforts to be made as well as time, sacrifice and belt-tightening: the state's as well as the people's. All this has to be done during the coming period so that the required economic solutions can be achieved. We must not sit around in silence or remain hand-tied. At the same time we must realize that we will not be able to do away with this phenomenon once and for all unless our economic conditions are corrected. This means that every young man who is old enough to work can work and earn enough wages to pay a suitable rent for a suitable apartment. It means that every young man can get married. Let me underscore this word in particular 100 times. Every young man must be able to marry; he must be able to feed, clothe and house himself, and he must be able to use public transportation. To make that possible, government salaries and wages must be commensurate with prices, and employment opportunities have to be created by the private sector for a large number of young people. Production has to be increased, and everyone has to put in the appropriate hours of earnest, real work. People must not just sign in and sign out. Those who work hard must be rewarded, and those who are negligent must be punished. Everyone must be given an equal opportunity, and everyone must be seen as equal in the eyes of the law. There are many other things which have to be done. If they are done, our way of life in its entirety will be changed. Then, our young people would not feel that they need to rebel in a fury that makes them lose their minds, their humanity and their loyalty to the country.



The root causes of problems have to be dealt with and treated. I wish we could try to do that.

**Businessmen Assess National Export Potential**  
*45040199A Cairo AL-AKHBAR in Arabic 12 Jan 89 p 3*

[Article by Fatin 'Abd-al-Raziq]

[Text] Prime Minister Dr 'Atif Sidqi has a report on his desk about methods for developing and increasing exports. Studies have affirmed that we are importing goods worth \$10 billion and exporting goods worth \$7 billion a year. The studies also state that the cost of Egypt's imports is supposed to increase by \$2 billion because of higher prices for agricultural products, which constitute a large part of our imports. This increase, which will overburden the state's resources, will be financed either at the expense of local investments or with more foreign loans. Economists concur that efforts which are being made to increase exports must be mobilized because exports shore up the national economy. Increasing exports will also remedy the deficit in the balance of trade. Will 1989 be the year that will provide a solution to all the problems exporters face? Will it be the year for exports?

The report which was prepared by the Egyptian Association of Businessmen and which is being considered by the prime minister includes many important suggestions.

Mrs Na'ilah 'Allubah, chairman of the association's Export Committee, says, "The call for a tax rebate is the most important item in the report. A tax rebate is something that many countries have. It provides greater flexibility to export operations by determining for every commodity that is exported a certain percentage [of its value], which the exporter is entitled to receive immediately after his export operation is completed. This amount is known in advance." It also became evident that it is necessary to define a clear method that public sector companies, which produce raw materials and production requirements, can use to work with private sector companies that rely on these raw materials in manufacturing. This method should address quantities to be delivered, delivery dates, and prices, so that exporters can meet their contractual obligations, which are long-term obligations by nature.

The report also calls for an end to discriminatory practices on prices, production requirements, raw materials, and energy between the public, private, or investment sector, and it calls for a steady policy on price movements.

Mrs Na'ilah 'Allubah adds, "The suggestions which have been proposed to the prime minister include restricting the system of making reciprocal deals with the countries with which we have payment agreements. That system is not to be used with countries which pay for the goods we export to them in free currency. This is because goods which are exported from Egypt are listed in reciprocal

deals agreements, even though the base price for these goods, like oil or long-staple cotton, is the dollar. Making reciprocal deals with countries with which we have no payment agreements would deprive Egypt of free currency resources. At the same time reciprocal deals would enable other countries to bring into Egypt goods, like gas stoves, which are not supposed to be imported, since doing that would undermine the ability of Egyptian goods to compete in the local market on price. It would also violate the principle of protection for local industry. Many of these goods are not produced by the country which is a party to the agreement, but they are marketed by countries which produce them at low cost. These countries are then given certificates of origin from the country that is party to the reciprocal deal agreement."

**Clothing and Textiles**

Studies affirmed the importance of the ready-to-wear clothing and textiles sector. Since the textile and ready-to-wear clothing industries have flourished, they make up a large percentage of Egypt's exports. And yet this industry has a severe problem: there is a shortage of yarn needed by weaving and knitting factories. The problem stems from the fact that Egyptian yarn is a desirable export commodity, but it is actually a raw material. Although care is being taken so that yarn producing factories are not denied their right to export their product and earn free currency from their exports, the matter goes beyond what is good for a group of factories. This has to do with what is good for the national economy as a whole. It is indisputable that exporting a fully finished, manufactured commodity will yield a greater return than exporting a commodity in the form of raw material.

It is on that basis that manufacturers of woven fabrics, knits and ready-to-wear clothing are demanding that, when textiles are exported, textile products with a higher value added should be given preference. Manufacturers are also calling for sufficient yarn to be provided to run private sector factories which produce woven and knit fabrics as well as fabrics which are provided to garment-cutting factories. These manufacturers are calling for an unequivocal policy on yarn exports.

While the businessmen's report dealt with some of the problems and important solutions that pertain to exports, there are still other problems and suggestions that exporters are still facing. That is why AL-AKHBAR met with a group of exporters who do business in different fields. AL-AKHBAR wanted to find out what they thought about the problems they were still facing, and it wanted to find out what suggestions they might have to increase our exports.

Mr Muhammad Dabiki, an exporter, says, "It is my opinion that the most significant problem an exporter faces has to do with the long period of time which is required to go through lengthy procedures. If we were to go through these procedures to export an industrial product, for example, first we would have to get the

approval of the Industrialization Authority to manufacture that commodity, if it was not already being produced by the exporter. This step usually takes from 3 to 4 months.

"Second, one has to get the approval of the Industrial Control Authority, and that takes 2 weeks.

"Third, the bank studies the export agreement so it can finance it. That lasts between 1 and 2 months, depending upon the volume of work at the bank and the speed with which it is carried out. Fourth, one has to get an export permit from the Export and Import Control Authority or from the trade representative, if the commodity will be exported to a country with which Egypt has an agreement. This step takes 2 weeks.

"After that, the operation is handled through customs. A customs committee is formed to examine the shipment: it examines the shipment's dimensions, specifications and documents. Then a letter of undertaking is presented, and the shipment is released for export. This happens under a temporary permit system, but under a drawback system, the full price is paid until the export operation is completed, and the exporter is given an export certificate. Therefore, exporting an industrial commodity takes up to 7 months, and that is unreasonable."

Muhammad Dabiki had this to say about export fairs which are held to open new markets and increase exports: "One of the most important factors in stimulating and increasing the volume of our foreign trade is a face-to-face meeting with the importer in his country where we can exhibit our most recent products to him. Many countries do not know how much progress has been achieved by our products. I suggest that these fairs be held in countries whose markets offer our products a big opportunity or access to a group of other countries. The fairs which were held by the private sector and by the state during the past 2 years in the Soviet Union, Hungary, Jordan, Sudan, and Poland were highly successful and resulted in the execution of many trade agreements.

"But before a fair is held, several conditions have to be met. A study should be conducted about the size of the market where the fair is to be held. The fair is to be held at a suitable location, at a suitable time, and it should be well advertised. Bilateral meetings between exporters and importers must also be scheduled during the period for the fair so that positive results can ensue."

Mr Samih Sayf-al-Yazal, an exporter, suggests that the state deduct 5 percent, for example, from the tax base of an exporter whose annual exports exceed 1 million pounds. This idea was applied in Turkey. In 6 months the 180 companies that were engaged in export activities became 650, and the volume of exports tripled.

Mr Sayf-al-Yazal also suggests that air freight charges not be increased since higher charges would put a high price tag on exported commodities and make them noncompetitive with commodities offered by other countries in world markets. In addition, 50 percent of the merchandise we export is shipped by air. EgyptAir raised air freight charges 30 percent a year ago.

#### Packaging Plants

"The problem of packaging and packing," says 'Amr al-Nasharti, "is one of the most important problems facing exported Egyptian commodities. The Egyptian product is a good product, but it is poorly offered and presented to the importer, and that makes it noncompetitive, especially in Europe and America. Why doesn't the state call for the establishment of polypropylene factories? Polypropylene is the substance which is used to manufacture [carton-like] packages and containers for ready-to-eat meals. It is also used in many packaging requirements. Why doesn't the state do that, now that cardboard prices have risen worldwide? Locally, they are up by 25 percent."

Mr 'Amr al-Nasharti adds, "I would also suggest that the state adopt the idea of establishing a fleet of airplanes. It should do this in conjunction with the private sector so it can do away with the chronic problem of the lack of cargo space on airplanes. In many cases, this lack of cargo space causes many of the commodities we export, like flowers and fruits, to go bad."

#### Prices for Raw Materials

Mr Muhammad Zakariya Hafiz touches upon another problem which exporters face. He says exporters are facing this problem: the prices of raw materials which are used in manufactured exports continue to rise. "For example, the price of 1 foot of untreated leather rose last year from 170 to 325 piasters. In that regard, I am asking that the state become involved in providing raw materials at suitable prices to factories which export what they produce. I would also suggest that marketing firms be established to market the products of small and moderate-size factories which produce good products and which lack the ability to market their products abroad."

#### Special Interest Rates

As an exporter, Dr 'Amr al-Shabrawishi is calling for special interest rates to be charged when export operations are financed. These special rates would be offered instead of those 12 to 15 percent rates which banks are currently charging. He is also suggesting that producers who produce special goods for export be exempted from the consumer tax. Local products can then become price competitive with international products in foreign markets.

Dr Hazim al-Biblawi, director of the Export Development Bank, expressed his opinion about encouraging and increasing exports. He said, "The economic situation in its entirety must be such as to allow producers as well as exporters, whether they are in the public or private sector, to work in an easy manner and to have an incentive to work. Making it easy for producers and exporters to do their job and giving them an incentive requires that there be sound policies on the rate of exchange and on overseeing production. It requires finding adequate financing tools and insuring producers and exporters. It also requires that we have adequate financing for marketing products, especially nontraditional ones. Exporters must earn a profit from their exports. This means that the cost of producing a given commodity must be reduced so that it can compete with prices of similar goods in foreign markets. We must provide adequate financial resources to finance export operations. That is why the Export Development Bank was established. We have to provide exporters with modern methods for canning and packaging their products and preparing them for export. We must prepare economic studies for exporters or join them in conducting such studies on foreign markets and on marketing products in them."

Dr Hazim al-Biblawi adds, "Thanks to the set of decrees issued for the export sector during the past 2 years, the increase this year in the volume of Egyptian exports has been tangible. These decrees set the tone for such an increase. In 1988, our industrial exports rose by 80 percent and our cotton exports rose by 22 percent.

"Proceeds from the commodities we export rose to \$3.3 billion in 1987-1988. This is an increase of \$1 billion, or a 43.5 percent increase over the previous year.

"Yet, much remains to be done to correct the deficit in the balance of trade."

Finally, we had to meet the man who is responsible for exports and imports in Egypt. We had to meet him to find out what he thinks about the problems that exporters raised and the suggestions they made for making export operations easier and increasing our foreign currency revenues.

#### **'I Do Not Agree With Some of Them.'**

Mr Salah 'Awad, president of the Export and Import Control Authority says, "I disagree with what some exporters said, and I agree with the complaints many of them made. I also agree with the suggestions they made to encourage exports. In fact, I would add to their suggestions other benefits and suggestions whose application we are calling for. These benefits and suggestions are currently being examined by the ministries of the economy and finance, and decrees in that regard will be issued at the proper time.

"But the complaint about procedures being lengthy and time consuming is just not true. No approval from the Industrialization Authority or from Industrial Control is required for industrial exports. No permit—I repeat, no permit—is required from the General Organization for Export and Import Control to export industrial commodities. However, when one is exporting goods to Russia or Sudan, one must obtain the trade representative's approval because there are protocols regulating trade with these countries. Obtaining such an approval keeps exporters from violating these protocols which were agreed to with these countries."

Salah 'Awad affirms, "An exporter of industrial goods can deal with customs directly after obtaining an export form from the bank and a customs certificate from customs. He can then export his commodity abroad."

#### **22 Branches**

Salah 'Awad affirms, "We made it easy for exporters who export important agricultural products like rice, onions, potatoes, peanuts, and garlic. We did that by offering them service at their production sites so they would not have to come to the main office in Cairo. We set up in all the country's governorates 22 branches that are staffed by 2,600 employees who give exporters the export approval at the production station itself."

The president of the Export and Import Control Authority says, "I support all the suggestions that were made to encourage exports. In fact, I would add to them other benefits and suggestions that are new. They are:

- "Export insurance companies are to be established so that exporters would not be subject to losing proceeds from their exports payable to them by importers abroad. Export insurance companies would guarantee that payment for exported goods is received.
- "A certificate of appreciation is to be awarded to an exporter who earns over 3 million pounds from his exports.
- "Top quality agricultural products and top quality production lines are to be designated for export.
- "Finally, a strategy is to be devised to give us objectives that we can seek from our exports. We would follow such a strategy instead of following the strategy of exporting our surplus. We must define clear objectives for exporting every commodity, and we must do so in the light of studies which are conducted in production sectors. The public and private sectors are to join forces to achieve that objective in terms of quantity and quality, so as to provide the state with proceeds which can cover our imports and also help implement the development plan."

Mr Salah 'Awad concludes his remarks by saying, "Egypt must export its products, even at the expense of local consumption. In that case we can cover our needs by



importing less expensive foreign alternatives so we can narrow the deficit in the balance of trade and close the gap between imports and exports."

Finally, although development in the volume of Egyptian exports last year has been noticeable and although Egyptian exports rose by 43.5 percent as a result of the considerable attention given by the state to export activities, the importance of exports in attracting large resources for the state at this critical period of our economic progress requires more attention to problems and to special suggestions that are made to encourage exports. Having said this, we express our appreciation for the efforts which were made throughout the past to remove obstacles that interfered with export activities. Political leaders on the highest level participated in those efforts.

**Columnist Says Uprising Deserves Arab Financial Support**

*45040199C Cairo AL-AKHBAR in Arabic*  
*28 Jan 89 p 12*

["An Idea" column by Mustafa Amin]

[Text] I was struck with grief when I heard that Yasir 'Arafat was complaining about the fact that Arab countries had promised to help the children of the uprising in Palestine but had not kept their promises. It seems that these Arab countries believed the required help consisted of cheering for the uprising, clapping their hands for it, and composing articles and poems about it.

It seems we do not know that hundreds of people lost their lives in the uprising. It seems we don't know that thousands of people were wounded and hundreds of thousands lost their homes when those homes were destroyed and demolished. It seems we don't know that people lost their jobs, children became orphans, mothers became widows, and people became hungry and homeless.

Those children did much more for the cause of Palestine than the Arab countries did with their armies and their money. The children managed to stir the world's conscience and to turn the issue which Israel had declared was dead, buried, and forgotten into a burning issue full of sound and fury. The children of the uprising forced the issue into the forums of the United Nations.

This uprising performed the function of all the ministers of information in all the Arab countries. Had we given those children all the appropriations in our countries' information and advertising budgets, we would not have been extravagant. In fact, we would have bought stronger and more effective publicity for our cause.

It is amazing that some of us give large sums of money to finance conspiracies in other Arab countries, schemes for overthrowing governments, or plans to distribute leaflets, but then begrudge those brave boys and girls some of their expenditures which would enable the uprising to continue playing its major, historic role.

Some Arab countries honor their pledges. If they promise, they deliver. If they announce they will make a contribution, they make it without delay. In fact, I know an Arab country that borrowed money to honor its pledge to help the Palestine Liberation Front. Countries are not liberated by sweet talk or telegrams of support. Instead, continuous financial assistance is necessary for major issues to thrive in an age when the cost of one minute on television adds up to thousands of dollars. It behooves us to find out what Zionists everywhere in the world are doing to help Israel: they deduct a portion of their income, and they send it to Israel. Contributions to Israel are exempted from the income tax by governments. The wealthy bequeath their money to Israel's universities and hospitals. If Islamic or Arab countries were to do one-tenth of what Zionists are doing for their country, we would not be hearing Yasir 'Arafat complain of such evasion and such backing down.

Those boys and girls are tantamount to guns that never run out of fire. They are the strike force for the Arab and Islamic peoples.

Do not let them starve to death.

**Columnist Blames Sudanese Government for Crisis**

*JN0903151689 Cairo AL-AKHBAR in Arabic*  
*7 Mar 89 p 2*

["Commentary" Column by Nabil Zaki: "The Sudanese Crisis"]

[Text] There was no non-Sudanese party that pushed 38 political parties, unions, and professional associations to vehemently raise the Sudanese people's demands. Also, there was no non-Sudanese party that made the Sudanese Armed Forces adopt the same demands, which are connected to the need to form a broad government for national salvation to achieve peace in southern Sudan and halt the rapid deterioration in economic conditions. Furthermore, there were no external propaganda campaigns behind stirring the subject of tribal militias formed by members of the Ummah Party, which is led by Al-Sadiq al-Mahdi. But what stirred this subject was the memorandum submitted by the Sudanese Armed Forces.

Contrary to what Al-Mahdi says, there are also no propaganda campaigns against the Sudanese Government. But, what happened was that, at Khartoum's request, Egypt mediated with Ethiopia to end war in southern Sudan. The mediation succeeded and the Addis Ababa agreement was signed by Muhammad 'Uthman



al-Mirghani, leader of the Democratic Unionist Party, which is the partner to the Ummah Party in the governmental coalition, and chairman of the State Council [second title as published]. Al-Mahdi refused to ratify the agreement (despite the fact that he declared that he agrees with it) because the Sudanese people received Al-Mirghani as a hero of peace.

The war in the South costs Sudan \$1 million a day and has resulted in the death of roughly a quarter of a million people from starvation last year. Together with draught and bad harvest, it also threatens 4 million more Sudanese people with starvation.

Following the military setbacks in the South; the strike by doctors and Khartoum University lecturers; the resignations of judges; the resignation of the defense minister; and the siege of Juba, the biggest of the cities in the South; the Sudanese people began to feel threatened by irresponsible and apathetic policy, which is pushing the country into a definitive catastrophe and which demands urgent solutions.

Therefore, there is no need to search for external reasons or factors for a suffocating crisis that was created by those who make resolutions in Khartoum or refuse to make them.

## IRAQ

### Industrial Development To Be Priority in 1989 Economic Plan

44000321 Baghdad BAGHDAD OBSERVER in English  
24 Jan 89 p 2

[Article by Ishu I. Yusuf: "Industry Development Tops This Year's National Plan"]

[Text] Baghdad, Jan 23—In its 1989 investment plan, the government has given priority to industrialisation with the private sector having a greater role to play.

The Ministry of Industry is planning more than 200 projects—a number which accounts for a sizeable share of the projected development programme of the year.

The annual programme is destined to establishing a sound national industrial base, according to Ministry sources. Many of the projects would underline the country's strategy of export-led industrial growth.

An upsurge is also envisaged in the construction and building materials plants as demand runs very high for such products.

Private investors have been pouring a lot of funds into this lucrative business.

The plan was launched in the light of extensive feasibility studies to improve industrial performance. The Ministry of Industry has for months been working to chart a more careful map for potential exports and to take appropriate measures to meet the growing local demand.

According to Minister of Planning, Mr Samal Majid Faraj, many of the new projects are likely to be export-oriented industries. In a drive to minimize volume of import, many other plants are planned to manufacture commodities that would substitute imports such as spareparts for cars and machines. This approach has evolved to save and bring in hard currency.

To examine projects performance and feasibility, the Ministry has set a broader system of industrial decision-making. It has involved the private sector to make it play a more dynamic role in boosting the country's industrial base.

Arab investors intending to set up a project in Iraq will be exempted from taxes for their hardware and other imported inputs needed for a given project. In the meantime, the Ministry is to cater a free-charge plot of land for the projects planned.

Over 1988, the Ministry of Planning, in cooperation with other departments and ministries, was studying viable means to forge a new drive towards industrialisation and to "redress the balance in the country's economic structure," according to the Minister.

The industrial sector apparently had somehow faltered over the past few years. Many agro-industries run into a multiplicity of problems, due to shortage of agricultural crops concerned—a fact that led to an increase in imports of certain agro-industrial imports.

The approach seems viable. "It would not only give access to further investable sources but also establish a strong sense of cooperation," said sources at the Ministry of Planning.

The government-private co-financing and-running system has evidenced in the growth of a more efficient enterprise, namely the mixed industrial sector.

In a move toward privatisation, however, dozens of small state-run industrial plants and projects were put on sale for the public during 1988. These included enterprises for food processing, construction materials, household utensils and plastic products.

Aware of their role in boosting the national economy, the Ministry of Industry has offered many incentives to encourage private investors to establish industrial plants. In a broader context, certain facilities and incentives have been offered to lure businessmen and investors from Arab countries together with Iraqis living abroad to set up industrial enterprises in Iraq.

In 1988, the Ministry of Industry launched a new drive to improve manufacturing activities approved, particularly since an all-aspect assessment of the country's industrial performance was made.

Many industrial plants have been updated. Others have undergone a great deal of change. New production lines have been introduced, while many obsolete machines and equipment were replaced.

This has especially been evident in textile plants. It has led to an increase of production and improvement of the quality of the product. Cotton textiles went up by about 70 percent in 1988 as compared with the rate of 1987.

Figures released by the ministry show that Kut Textile and Spinning Plant raised its annual production during 1988 to about 60 million metres of various types of fabrics.

Products shown in a recent industrial show held on the grounds of the Baghdad International Fair, were seen by observers as a promising example of the viability of the new policy.

#### **Agricultural Achievements, Increase in Cultivated Land Described**

44000323 *Baghdad* BAGHDAD OBSERVER in English  
25 Jan 89 p 2

[Text] Baghdad, Jan 24—The land prepared for cultivation for this year's agricultural season has increased by seven percent compared to last year, said Minister of Agriculture and Irrigation Mr Karim Hasan Rida.

The Minister added that this increase shows that the areas allocated for wheat plantation in the 1988-89 season have gone up by 39 percent while the land prepared for the cultivation of barley went down by 16 percent in the same season. "This was because the increase in the land cultivated for barley was at the expense of that allocated for wheat during previous years".

As a result barley production went up and the surplus was exported, the Minister said.

Mr Rida said until January 21 this year there was an increase of 105 percent in Iraq's export of rice compared to the figures of 1987. "This increase was achieved although the area of land cultivated by rice last year was 28 percent less than that of the year before".

Exports of corn have dramatically shot up, too. The Minister said until January 21 this year, there was an increase of 175 percent in corn export compared to 1987, though the lands dedicated to the cultivation of the crop in both periods were almost the same.

Kasbala' topped other provinces in its production of dates last summer season, producing about one quarter of the country's dates.

A dates festival is to be held later in the province marking the increase the province had made in the production of dates, the Minister said, adding that annual dates festivals will be a trading to be launched any province topping in the produce of a particular crop.

Late last year the Ministry of Agriculture and Irrigation laid down a plan to expand rice growing areas in the country. When executed, the plan would contribute to ensuring the national food security programme, the Ministry's Undersecretary Mr Muwaffaq Elias said.

Feasibility studies, and other measures on the potential areas were underway, the official said. The measures include assessment of water supply to irrigate rice paddy and supplying farmers with relevant services and facilities—such as seeds pesticides, fertilizers and machinery—to help them cultivate important types of cereals.

Work is in progress in the basin of the river Euphrates which includes land levelling ensuring drainage systems.

The Ministry is studying the possibility of exploiting the edges of shallow waters in the marshes as potential rice paddies.

To boost agricultural development, a number of new irrigation projects have been executed during the last decade. These include the Al-Qadisiyah Dam in Al-Anbar province, Saddam Dam in Ninawa province and Bakhma Dam in northern Iraq, as well as the irrigation projects of al-Tharthar in al-Anbar province and Saddam al-Kabir in al-Ta'mim province.

There are already other dams which have been built some 20 or 30 years ago. These are Darbandi Khan and Dukan in al-Sulaymaniyah province, al-Hindiyah in Babil province, Ramadi Dam in al-Anbar and Majar al-Kabir irrigation project as well as other minor projects.

#### **Work Under Way on Al-Nasiriyah Water Project** 44000325 *Baghdad* BAGHDAD OBSERVER in English 26 Jan 89 p 2

[Article by Sa'dun M. al-Janabi: "Major Potable Water Project Nears Completion in al-Nasiriyah"]

[Text] Work is in full swing to complete al-Nasiriyah water project in Dhi Qar province at a cost of more than 37 million Iraqi dinars, said a source at al-Farrukh Contracting Company.

He told THE BAGHDAD OBSERVER that the project will operate at a capacity of 50 million gallons. The project comprises one filtration centre on al-Gharaf river (one of the tributaries of Euphrates) in al-Shatrah area.

It also includes the establishment of three additional pump stations to boost water flow in the project, he said, adding that two of these stations will be in al-Nasiriyah city and the other in Suq al-Shuykh (a district in Dhi Qar province). "The aim behind the installation of the stations is to ensure the flow of potable water to the whole area. Some 600 thousands citizens in the Province will benefit from the project," he said.

The network of pipes carrying the potable water to the area 230 km long, he added.

Ensuring 227,000 cubic metres of potable water the project includes a purification and sterilisation station, a huge from storage and a water pipe network. Work on the project started on 15 November 1987 and is expected to be completed this year, he said.

According to the source, the project is one among three water projects undertaken by the Company at a total cost of about 56 million Iraqi dinars (174 million dollars). The second project is in al-'Awjah, Salah-al-Din Province and the third in Juwaniyah and Ghazaliyah area in Baghdad.

Meanwhile, al-Farrukh Contracting Company is at present busy completing a sewerage network pipes project in al-Salihyah quarter, al-Nasiriyah city, with a total length of 12 km. The source said that costing 750,000 dinars, the network will benefit 700 residential units.

He added that a four-and-a-half-kilometre-long sewerage system has also been completed in al-Nasiriyah at a cost of 90,000 Iraqi dinars.

## ISRAEL

### Rabin Blames PLO for Murder, Possible Abduction

44000344 Jerusalem THE JERUSALEM POST in English 20 Feb 89 p 1

[Text] Defence Minister Hitzhak Rabin yesterday blamed the PLO for the murder of Sergeant Shlomo Kohen in "ambush" in Jerusalem on Saturday and the apparent abduction of Sgt Av. Saportas near Ashqelon last week. Rabin said he based his assessment on the need for a certain minimum amount of planning and organization in order to carry out such attacks.

"If someone believed the PLO's claim in Tunis that its men had put an end to terrorism, the abduction of the soldier in the south and the murder of the soldier in civilian clothes near Zion Gate show that was an

illusion," he said. "It is evident that both cases are classic attacks by a terrorist organization. Attacks with knives and abductions are typical methods."

Speaking to a convention of conservative rabbis in Jerusalem, Rabin said it is clear that someone planned the attack near Zion Gate, made sure the area wasn't being watched by the police, and set up an ambush.

### IDF General Warns of Arab Expeditionary Forces

44000342 Jerusalem THE JERUSALEM POST in English 17 Feb 89 p 5

[Report on interview with Maj Gen Moshe Bar-Kokhba of the General Staff by Benny Morris; date and place not given]

[Text] BG Moshe Bar-Kokhba (Brill) is clearly worried about the Iraqi threat; his concern may not be shared by his colleagues on the General Staff.

Bar-Kokhba foresees that "in the next war, [the Iraqi expeditionary force] will be much larger than that in the [1973] Yom Kippur War." He speaks of "2,000 tanks, hundreds of aircraft" and "200,000 troops or 14 divisions," if Baghdad sends the same proportion of its forces to the area as it did in 1973.

He notes that the Iraqis now have the means to swiftly move complete divisions to the prospective Arab-Israeli battlefields—"a giant fleet" of tank transporters ("they have thousands; the Libyans have transporters that can carry three tanks apiece"); "a complex network of roads," built specifically for this purpose after Yom Kippur 1973; and a network of maintenance bases along the way.

Neither does Bar-Kokhba, the IDF chief of general staff's special assistant responsible for drawing conclusions from past operations, discount the Iraqis' role in 1973. Their expeditionary force of two-plus armoured divisions, which arrived on the Hوران battlefield during October 10-12, "saved the Syrians from total defeat," says Bar-Kokhba.

The faltering counterattacks by the Iraqis' 3rd Armoured Division stalled and, ultimately, stymied the advance eastwards and southwards of Dan Laner's division, which crossed the "Purple (ceasefire) Line" on October 10. The Iraqi intervention gave the Syrian Army the two-three days' breathing space they needed to regroup and recover from defeat on the Golan and the IDF breakthrough into the Hوران.

Bar-Kokhba, 58, one of the IDF's most experienced and capable Armoured Corps field commanders, was Laner's deputy. He directed the al-Khushniyah tank battle of October 8-9, the turning point of the battle for the Golan, and the subsequent repulse of the Iraqi brigades around Kafr Nassaj. In that battle, the IDF lost four tanks, the Iraqis 60 and the Syrians 20.



The Defence Ministry Publisher/Ma'arachot has just published a 579-page volume of Bar-Kokhba's essays, "Merkevot Haplada" (The Chariots of Steel), which includes a detailed description and analysis of the battle against the Iraqis, as well as analyses of a succession of armoured engagements between 1950 and 1982 in which Bar-Kokhba took part. In a sense, the book is a personalized history of the IDF Armoured Corps.

In 1973, Bar-Kokhba charges, the Air Force failed to interdict the Iraqi divisions on their way to the Syrian front (though they necessarily proceeded along limited, fore-known axes), and, indeed, the IDF Intelligence Branch failed to warn the relevant Israeli units of their imminent appearance on the battlefield. Laner's division was "surprised" by the sudden confrontation with the Iraqis.

Bar-Kokhba implies that the IDF did not take the subject seriously enough, perhaps expecting Baghdad to dispatch a token rather than real force. "We didn't properly assess their intentions, their commitment. They meant business. Subsequently, the IDF failed to properly [review and] draw conclusions," says Bar-Kokhba.

In his conclusions about this episode, which, given Bar-Kokhba's position may now be assumed to be the IDF's, he writes that Israel must view with great concern the possible intervention in future wars of Arab expeditionary forces from the non-neighbouring states. They are the frontline Arab states' "strategic reserve." He suggests that these could come, apart from Iraq, from "Libya, Saudi Arabia, the Arabian Peninsula, North Africa," and the prospect of their intervention "must influence the IDF's strategic and military doctrines."

The thrust of Bar-Kokhba's thinking is clear: Israel must aim for swift offensives, a la 1967, "which will enable us to defeat the main forces of the neighbouring Arab states—before these can be joined by the expected expeditionary forces." Secondly, the IDF must draw the appropriate conclusions regarding intelligence and the use of the Air Force in the possible interdiction of these expeditionary forces before they reach the battlefields.

In a couple of throwaway lines, Bar-Kokhba reveals that on September 23, 1973 the Laner division was given a contingency operational plan—should war break out—to attack Syria via the Lebanese al-Biq'a valley, a strategic left-hook designed to threaten the Damascus plain from the west. That indirect approach had to be forfeited in the hectic early days of the Yom Kippur War as every gram of Israeli armour had to be thrown into battle to save the Golan Heights.

I asked Bar-Kokhba about the non-implementation of the plan in 1973 and of its revelation in his book. He said that the Lebanon War a decade later killed this option: "The Syrians now have a full corps [two divisions] in the al-Biq'a; in 1973, there were practically no forces there."

Incidentally, during the April-May 1973 "false alarm," when the Egyptians were thought likely to launch a full-scale war (which they unleashed, together with the Syrians, only six months later), Bar-Kokhba's division was earmarked for an operation codenamed "Or Yaroq" (Green Light). The division was slated to be ferried across the Gulf of Suez and from the western shore of the Gulf to threaten strategic targets in the Nile Valley and, alternatively, to threaten the rear of the Egyptian Third Army along the Suez Canal.

Bar-Kokhba, born in Poland in 1930, is an unusual IDF major-general. He is the only member of the General Staff to have come to the IDF from the Irgun Tzva'i Le'umi (IZL), the Revisionist pre-state underground organisation. "We believed that we could drive the British out and overcome the Arabs. We had faith then."

Brill, as he was then known, moved from the IZL into the IDF in the summer of 1948, commanding a platoon of jeeps in Battalion 79, 7th Brigade. He then slowly moved up the ranks.

His IZL background was a severe handicap. "It wasn't easy. Always to my right and left were officers who had been in the Hagana or Palmah, and it was natural that our superiors chose them for advancement. After all, they knew them from 1948 or before. It was just and fair. But I had luck. Somehow, I took part in a lot of battles, and combat experience counted for a lot in promotion."

Bar-Kokhba participated in the 1948 conquests of Ramle and Yavne. In 1950 he fought Jordanian armour in the Arava. In October 1951 he took part in one of the first retaliatory strikes in the Gaza Strip. In the 1956 Operation Qadesh (Sinai Campaign) he took part in the crucial battle for the Ra'ufah Dam at Abu-'Ajilah. In the 1967 Six Day War Bar-Kokhba's brigade captured Jenin and defeated the Jordanian Arab Legion's 40th Armoured Brigade at Qabatiyah-Dotan Valley.

In the Yom Kippur War, Bar-Kokhba fought at the al-Khushniyah Junction and in 1982 commanded units in the eastern sector opposite the al-Biq'a' (After Aluf Avigdor Ben-Gal's retirement). Bar-Kokhba later served as OC Armoured Corps and OC Southern Command.

Bar-Kokhba is amiable, soft-spoken, fatherly—yet clearly battle-hardened. He seems to regard his ultimately successful career—his general's cross-swords-and-olive-branch insignia took a long time to arrive—as a manifestation of "historical justice."

"History, in the end," says Bar-Kokhba, "did not 'do' anybody any hurt. The first prime minister [Ben-Gurion] was identified with the Hagana. Later came Menachem Begin, the former head of the IZL. And now we have Yitzhak Shamir, the head of the third underground organisation, the LEHI [Lohamey Herut Yisra'el, or



'Stern Group']." Bar-Kokhba believes that Israel could "well draw more upon the values that existed in the underground movements and in 1948."

Bar-Kokhba still cleaves to his Revisionist philosophy. He refers obliquely to the intifadah, quoting Defence Minister Yitzhaq Rabin: "We are still in the middle of the struggle for our national existence. As Rabin says—it is a struggle for survival, with the Arabs constantly changing the form of their struggle against us. But it is the same struggle."

Yet in his analysis of military affairs, Bar-Kokhba remains sensitive about and attuned to political contexts and realities. In a revealing paragraph about future IDF strategy, Bar-Kokhba stipulates that "it must, among other things, [be adapted to] assist the peace process in our area after the [prospective] war. This idea must influence the master plans, the way the war is fought, the way it ends, and also our struggle against Arab terrorism and against a hostile Arab population."

He explains: "We have always been sensitive to causing civilian casualties. That is why, for example, we did not use air power in the conquest of Jenin and Shechem [Nablus; in 1967]. The Arabs place weapons and units in built-up areas. Armoured doctrine has always been to avoid built-up areas. The problem always is, when having to conquer a town, how to make the battle as sterile [casualtyless] as possible. One method is to distribute circulars, to announce on loudspeakers to the civilian population to temporarily evacuate a town destined for conquest, as we did in Lebanon."

"The point—what we must remember—is that when it is all over, when there will be peace, we will still have to live with these people. And the less historic hurt we cause, the greater will be the chance of achieving peace, and the more lasting it will be after it is achieved. Victory must be planned with tact, not to cause a historic abyss, not to win and humiliate the enemy to boot, as occurred in 1967. They must be left with their basic pride intact."

This informs Bar-Kokhba's views on the current struggle in the administered territories. He appears to believe that the IDF is not conducting the struggle with this concern—Arab pride and its effect on peacemaking—in mind. The IDF's behaviour in the territories "will leave deep deposits of hatred towards Israel among the Palestinians, deeper even than if they had lost another war," he says.

Bar-Kokhba expressed "deep sorrow" over the killing of Palestinian "women and children," and said: "I believe that we could have given the confrontation a less extreme character."

He also criticized Israel's indifference over the past decades towards the plight of the dwellers of the refugee camps. "We have not exhibited enough sensitivity

towards the refugee camps and we have not been sufficiently sensitive regarding [the humiliation of] the workers who travel each day to work in Israel." He was referring to the daily trial of the workers at Border Police and IDF roadblocks and to their experiences inside Israel.

"The modern world," said Bar-Kokhba, "does not countenance such things, and now the escalation has deepened. I am grieved by the situation we have got ourselves into."

Bar-Kokhba continues to regard the tank as the "queen of the battlefield," the weapon that will decide the outcome of future wars. In his eyes, 1973—with its massive destruction of armour—did not point the way to the tank's obsolescence but rather to its continuing domination of the battlefield.

"Take note," he says. "In the 1973 battlefield, which was saturated with shells and fire, the only thing that survived was the tank and the tank crew. Other soldiers—infantry, thin-skinned vehicles—all were destroyed, couldn't survive. In principle, the IDF prepared the army properly for the 1973 war [by investing heavily in masses of armour]. It is not true that more money should have been put into developing the infantry."

The Yom Kippur War was a "crossroads" in military theory and praxis, Bar-Kokhba agrees. "Everything had to be reconsidered in its wake. Hundreds of our tanks were hit; the Syrians lost 1,400 tanks. There was a lot of anti-tank weaponry. There was a fear that these weapons had delivered a deathblow to the tank. But lo and behold, in the wake of the war the Syrian General Staff, which has Soviet advisers, and the Egyptian General Staff, the Iraqis and the Jordanians, and the IDF, all analysed the war and came to the same conclusion: that the tank would remain the decisive instrument of battle, and all greatly increased their armoured forces. Syria, according to publications, now has 4,500 tanks."

Bar-Kokhba regards the 1982 Lebanon War as, in a sense, proof of the tank's continued domination of the battlefield. "Lebanon is not classic tank warfare country. Mountains, rocks—infantry country. Yet both sides [Israel and Syria] used masses of armour."

Bar-Kokhba agrees that the modern Syrian defences opposite the Golan are "more difficult to overcome" than the 1973 network of minefields, positions, tank traps and anti-tank weaponry. "But there is nothing that can be constructed that cannot be breached," he says. "There is no concept without its Achilles Heel. It is possible to conduct a modern armoured offensive [against such defences] because the modern tank is far better, more mobile, more heavily armoured than the 1973 tanks."

Israel's home-made Merkava (marks I, II and II) [as published] stresses non-inflammable systems (oil, hydraulics, ammunition caches) and heavier armoured plating and protection, even at the expense of speed.

The Armoured Corps has traditionally been the most highly disciplined constituent of the IDF. Bar-Kokhba takes pride in this. He explains that whereas the Paratroop Corps, for example, distinguishes between "administrative discipline" and "operational discipline," and has much of the latter but little of the former, "in the Armoured Corps there was never any such separation. There is only one type of discipline. The Armoured Corps soldier will always be more polished up.

"It is all a matter of the nature of the weapon. [The Paratroops stress] infiltration, behind-the-lines actions. We work in masses, with concentrated firepower and steel. Without order, organisation, discipline, the [Armoured] Corps cannot perform effectively. If the fuel and ammunition don't reach the tanks, they grind to a halt. The tank itself is full of equipment, not just the gun. If something is not orderly, well oiled, it just won't work or won't be found. And the tank won't work efficiently."

But Bar-Kokhba is careful to set himself apart from the spit-and-polish, penalizing extravagances of his fellow brigade commander, Shmu'el Gonen (Gorodish), who was drummed out of the IDF following the failures in the South in the Yom Kippur War. Gonen was wont to hand out seven-, 14- and 21-day jail sentences to soldiers for leaving a shirt button open, not wearing a beret or putting on a belt the wrong way. "Look—in the corps there were always two attitudes to discipline: the School of Shammai and the School of Hillel; Gorodish's stricter approach and my easier approach. My approach—of cooperation with the soldiers—succeeded better than Gorodish's."

#### **IDF Deputy Chief Doubts Existence of Settlers' Militia**

44000340 Jerusalem THE JERUSALEM POST  
in English 15 Feb 89 p 12

[Article by Asher Wallfish]

[Text] The IDF deputy chief of general staff, BG Ehud Barak, said yesterday he had "no knowledge" of the existence of a settlers' militia in the territories.

Barak told the Knesset Foreign Affairs and Defence Committee that a total of 10 complaints had been filed concerning actions by Jewish settlers, 3 of which were being investigated by the police.

He said there had recently been a decline in incidents involving petrol bombs and stonings in the territories.

The number of IDF soldiers now stationed in the territories is 4 times greater than the number prior to the intifada, he disclosed. But at the peak of the disturbances, the number was 6 times greater than before the uprising began.

This year, he predicted, the IDF would be able to carry out the same training exercises it ran in 1987.

Barak said the units in the territories had to show considerable restraint and ensure self-control on the part of the settler population, "because panic fosters violence."

Barak warned: "The settlers must not take the law into their own hands." He said that in Judea and Samaria the army has to keep an eye on 450 km of roads travelled daily by hundreds of Jewish vehicles. "We have the resources to cope with this challenge," Barak said.

The charges regarding a settlers' militia were reiterated yesterday inside the committee by Yosi Sarid and, outside, by Dedi Tzuqer, the two Citizens Rights Movement men who raised the allegations earlier this week.

In the discussion, Sarid listed the 5 main operational bases of the militia as sited at Ari'el, Ginot Shomron, Ma'ale Shomron, Qedumim and Yitzhar. He cited recent operations in the West Bank by settler units that entered Arab villages, fired in the air, destroyed property and assaulted Arab villagers. Sarid said the General Security Service must spread its intelligence-gathering net among the settlers.

Pinhas Goldstein (Likud) expressed his doubts as to whether the IDF had been given the appropriate power and resources to put down the intifada.

Hanan Porat (National Religious party) said that as many as 90 percent of the settlers preferred that the IDF do the job of restoring calm and order.

Tzuqer, who is not a member of the committee, told THE POST yesterday that the settlers' militia carried out retaliatory operations against Arab villages. The attacks were staged to appear spontaneous but, in fact, were carefully planned.

He said the settlers' confrontations with the IDF were designed to exert pressure on the IDF command to alter its policy towards the intifada. He noted that the settlers had often succeeded in disrupting regional command operations.

Tzuqer noted that the complain he and Sarid sent to the attorney-general this week referred to the deaths of 16 Arabs and threw grave suspicions on the settlers. But the authorities took steps in only 4 cases, the 2 MKs maintained.

Joshua Brilliant adds: Alfey Menashe's residents yesterday patrolled the road from the former pre-1967 border to their West Bank settlement, underlining their lack of confidence in the IDF's protection.

Local council head Shlomo Qatan said last night he would decide today whether to continue the patrols in light of steps the IDF said it would take.

The settlers sent out the first patrols late Monday night after Kfar Sava taxi was stoned at the entrance to Alfey Menashe.

Yesterday at 5 p.m. they were back on the highway, working in shifts comprising 12 cars. Some settlers parked their cars, lights blinking, along the road, while others drove back and forth. Qatan said the patrols were to end at midnight.

The IDF also stepped up its presence in the area yesterday.

Judea and Samaria commander Col Gabi 'Ofir, along with the commander of the Samaria area and another top officer, went to Alfey Menashe yesterday and met with representatives of the townspeople for close to 5 hours. They reportedly urged the settlers not to engage in "excesses."

The IDF and Defence Minister Yitzhak Rabin have maintained that security outside the settlements is the army's responsibility alone.

Qatan said he would be happy to "return" responsibility for security to the IDF. "We want to take security in our own hands [only] if someone else doesn't," he said. "We very much want to sit at night in front of the TV and watch a good movie rather than run around the roads. We did not come here to be an armed militia."

But the settlers' dissatisfaction with the army remained yesterday. Settlers apparently felt vindicated when Shula Shapira, also of Alfey Menashe, reported having been stoned a mere 150 metres from the IDF roadblock on the road to her town.

**Abu Iyad's Jerusalem Video Address Analyzed**  
44000345 Jerusalem THE JERUSALEM POST in  
English 23 Feb 89 p 1

[Article by Yehuda Litani: "Abu Iyad Breakthrough"]

[Text] Abu Iyad's address yesterday to the Peace Symposium of the Israel Centre for Peace in the Middle East contained several new elements. For the first time, a leading PLO figure with a terrorist background, did the following:

- Openly addressed an Israeli and international audience in Jerusalem, and called for a two-state solution.

- Admitted that the PLO had previously believed that this land belonged to them exclusively and had not accepted the idea of coexistence.
- Appealed for a new procedure in the peace process. Instead of first meeting under the aegis of an international conference and then conducting direct talks between Israel and the Palestinians, he proposed a switch—direct talks first, either covert or overt, between Israel and the PLO, in order to reach an agreement. These would be followed by an international conference "as a means of guaranteeing the safety of the two states...so that the conference itself would become the forum in which to bring our agreement to fruition." The Palestinians, according to Abu Iyad, are "anxious" for such direct meetings.
- Conceded that the border problem was not a major issue since "we do not seek to have a Berlin Wall or any other wall separating us; we want openness."
- Admitted that just as the Israelis can not destroy the Palestinians, the Palestinians are unable to destroy the Israelis.
- Related to the Israelis as equal partners to the dialogue, and no longer referred to them as "the Zionists" or "the occupiers."

This was certainly a fresh and candid approach for the man who was previously the political commander of Black September, the notorious group that carried out the Munich massacres and other terrorist outrages. The point has been made that if anyone's peace call should be taken seriously, it is that of Abu Iyad.

**Red Cross Activity in Territories Profiled**  
44000343 Jerusalem THE JERUSALEM POST in  
English 8 Feb 89 p 7

[Article by Efrat Shvily]

[Text] It was 5 a.m. when the Red Cross car was let through the checkpoint at the crossroads leading to Nabulus. The three sleepy-looking soldiers did not stop the car and did not ask for papers. Later, Red Cross delegate to Nabulus Isabelle Buttica, would say, "They know they have to let us through, even to a closed military zone and a refugee camp under curfew, but they do not really know what we do here."

Many people do not know what the Red Cross does in the occupied territories. "For the sake of our continuing cooperation with the authorities we are obliged to keep quiet," said Red Cross Head of Delegation to Israel Frederic Maurice, who has, for the first time, agreed to expose some of the Red Cross's daily activities to the press.

Maurice was telling stories of Red Cross delegates who had their car windows smashed, regardless of the crosses and the flags. Do not the Palestinians at least know what the Red Cross does for them? "It is usually little kids who smash our windows. Once, after a kid threw a stone at



me, an older child grabbed him from behind yelling 'Salib! Salib!' (cross) and slapped him on the face before I even had time to get out of the car," Maurice said.

At 5:30 a.m., Nablus' main square right outside the Red Cross offices was crowded with people who knew the organization was their only contact with their imprisoned and detained sons and husbands. Thirteen buses hired by the Red Cross were filling up with people carrying parcels and bags, about to go on a ride to the Megiddo prison. "What would I do without them?" asked a detainee's father, motioning at the five Red Cross delegates, all in their early 30s. "Before they took him to Megiddo, my son was imprisoned at Far'a. Without the Red cross I would not have known about his transfer."

But the delegates are sceptical. "In our experience, a certain percentage of these people, now sitting on the buses to Megiddo, will come banging on our doors tomorrow morning, blaming us for failing to find their sons there," says Thierry Britchet. Since the beginning of the intifadah, the follow-up on detainees' whereabouts has become the most time-consuming Red Cross activity. A special tracing agency was set up in Jerusalem but, even so, the Red Cross "and the army too" keep losing the detainees, Maurice jokes.

Family visits to Megiddo are theoretically allowed twice a month, but this is the first visit in three months' time. Two tickets per family, at one shekel each. Visits last 10 minutes only, but the buses departing at 5:30 a.m. will not be back before 10:00 p.m., owing to endless security checks.

It's time for a tour of the city. "Nablus at sunrise," announces Andre Duvillard, head of the Red Cross delegation to Nablus. Duvillard himself is a "phenomenon of the intifadah," sent over from Geneva with two other delegates, after several months of rioting, to help out Nablus resident Burhan Abu 'Annan who had run the office by himself for the past 18 years. The number of Red Cross personnel in the territories and Israel has tripled since the beginning of the intifadah to include 42 foreign and 120 local Palestinian and Israeli employees. It has been nine months since Duvillard, Buttica and Britchet came to live here. On the way to their home we pass the 'Askar refugee camp, where 26 people were wounded in clashes with the army the day before.

It sometimes happens that Red Cross delegates on a routine visit to a camp find themselves in the midst of the clashes, "right there, between the stone-throwers and the shooting soldiers. Both sides then feel protected: the stone-throwers, knowing the soldiers would not shoot in our presence, and the army, knowing stones would not be thrown at us. Unfortunately though, they are both wrong at times," says Duvillard.

We go past Balata. Red Cross delegates, allowed into a refugee camp under curfew, check that people have food and medical care. Through the "Black Friday" road we get to the doctor's house, opposite which the wall is covered with PLO and Hamas graffiti. One night, soldiers knocked on the door and asked the Red Cross delegates to rub the graffiti off the walls.

"What do Nablus residents think about you?" I ask the delegates as we sit around the breakfast table. Abu 'Annan, the only Arabic speaker in the group and the person in closest contact with Nablus residents, volunteers a diplomatic answer. "They think the Red Cross is doing the best it can," he says, and everybody agrees laughingly that this is not necessarily much. Sitting with us is Phillippe De Korodi, newly arrived from Lebanon (which was temporarily "abandoned" by the Red Cross a few weeks ago—the first time in the organization's 125-year history that delegates have left a country).

At 7:30, Red Cross offices are already filled with people. It is, however, a "quiet," uneventful day—no strikes, no reported clashes. The first person on line is received by one of the three Arab secretaries. He has come with a letter for a relative detained at Qetzi'ot. He would rather trust the Red Cross than the post office. The second person is sending a card to the Jerusalem Red Cross tracing agency: his cousin was arrested and he does not know where he was taken. The secretary assures him that within 14 days, they will have the information. Next comes a lady asking for a power of attorney. Since her husband has been arrested she has been unable to withdraw money from the bank. The fourth applicant had his identity card taken away by soldiers and never given back.

Since the beginning of the intifadah new local offices were opened in Jenin and in Tulkarm, and a Swiss physiotherapist, Theo Verhoeff, has recently been sent to Nablus to examine the injured and disabled population's needs for physiotherapy.

At 10 a.m. Buttica and Duvillard go on their daily visit to the Ittihad Hospital. Duvillard, a lawyer by profession, first goes to the hospital office to examine the X-rays of the people injured at 'Askar the day before. "Plastic bullets, live ammunition." He goes on to speak to the wounded themselves, to check whether they were shot "in accordance with the rules." A 15-year-old boy admits "I was shot when holding a stone in my hand"; it is an unlikely case to be pursued by the Red Cross, unless the boy's is a head-wound from a short distance. Other youngsters tell Duvillard they were strolling in the street, "going home," when they were shot. But it is not Duvillard's business to believe or disbelieve their stories, he says. "If they want to present an allegation, they had better be able to prove their case."

"How far away were the soldiers? Who was with you when you were injured? How did you get to the hospital?" Duvillard asks and takes notes in his "detective"

book. A 13-year-old boy says he was brought to Ittihad by a private taxi, and Duvillard becomes interested. It seems the soldiers prevented the Red Crescent ambulance from entering the camp. We head toward St. Luke's Hospital, where Dr. Ya'aqub 'Alul, supervisor of Nabulus' Red Crescent ambulances, would probably know more about the case. On the stairs, people keep stopping the delegates with all kinds of strange requests. "Sometimes they ask us for ice cream," Duvillard jokes.

The Red Crescent, like Magen David Adom, is a society with which the Red Cross works closely but does not officially recognize. In Nabulus, the Red Crescent is "in big trouble" when it is not assisted by the Red Cross, 'Alul tells us. He claims Red Crescent ambulances are not permitted to evacuate the wounded from the scenes of riots, the army misuses the ambulances and Red Crescent drivers and nurses get beaten up by soldiers.

With the help of the Red Cross, however, the Red Crescent has recently managed to obtain a new set of army regulations allowing its ambulances to use sirens and flash lights for the first time. More helpful still is Red Cross intervention on the spot. "They are Swiss, and we are Arabs," 'Alul explains.

At 12 o'clock the shops close and we head back to the office to meet with an ex-detainee who had spent the last six months in Qetzi'ot. "No names, please." What did the Red Cross do for him? They made inquiries about a detained comrade of his; they are still trying to discover the whereabouts of his identity card; they came to visit him twice a month. "At Qetzi'ot, no family visits take place; our visits are the detainees' only contact with the outside world," says Buttica.

Because massive detention and arrests are the greatest change brought about by the year-long intifadah, contacts with the detainees have become first priority for the Red Cross; since its 1977 agreement with Israel, it is authorized to see detainees under investigation within 14 days of their detention. Maurice is not authorized to describe the treatment of the detainees and the conditions of detention to the press, but says, "I can only tell you that conditions at Qetzi'ot do not meet the minimal standards because this is public knowledge."

What we saw in Nabulus was the mere tip of the iceberg, he indicates. The important things take place behind closed doors in "secret, lengthy and sometimes frustrating" negotiations with the army and the government.

## JORDAN

### Student Enrollment in Soviet Universities Described

44000332 Amman JORDAN TIMES in English  
14 Jan 89 p 3

[Text] Moscow (Petra)—The cultural attache at the Jordanian embassy here reported that nearly 3,000 Jordanian students are presently enrolled at various Soviet universities and that nearly 120 Jordanians are annually enrolling at different educational institutions in the Soviet Union.

Ghazi Balqaz said that Jordanian students are studying at nearly 50 universities and higher institutes of learning and that he was keeping in touch with them to identify their problems and ensure their well-being. Most of the students are pursuing studies in medicine, mechanical and aeronautical engineering, Balqaz noted.

He said that most students face the problem of accommodation, since they all want to live and study in main cities which can provide very limited lodging facilities. In Moscow, where most of these students are gathered, there is only one single hotel which offers lodging for students, and so at least four students find themselves living in one hotel room due to the lack of sufficient space, Balqaz added.

The Ministry of Education continues to send students on scholarships to acquire higher education in the Soviet Union, and during their stay students must not get married to non-Jordanians, according to Ministry of Education regulations, Balqaz pointed out.

He said that in the event a student violated this rule his scholarship would be immediately terminated and he would be requested to pay all the sums spent on his education.

According to Balqaz, a student in the Soviet Union does not need more than \$600 annually and he advised parents not to send their children excessive sums, since he said, this will adversely affect their studies.

### Exports to Arab Countries Described

44040228 Amman AL-DUSTUR in Arabic  
14 Jan 89 p 2

[Text] Amman—The value of Jordanian exports during the first 7 months of the previous year totalled 169,705,000 Jordanian dinars compared to 130,599,000 Jordanian dinars during the same period in 1987, i.e. they increased by 39,106,000 Jordanian dinars.

The official figures indicate that Jordan's exports to the Arab Common Market countries, which are Egypt, Iraq and Syria, totalled approximately 42,668,000 Jordanian dinars during the first 7 months of 1988, compared to 36,463,000 Jordanian dinars in the same period in 1987. Iraq was in the forefront of these countries, with Jordanian exports to it totalling 37,481,000 Jordanian dinars.

The value of Jordanian exports to the rest of the Arab countries totalled 34,356,000 Jordanian dinars, compared to 28,374,000 Jordanian dinars in the first 7 months of 1987; Saudi Arabia was in the forefront of these countries with Jordanian exports to it totalling 18,953,000 Jordanian dinars.

The figures indicate that Jordanian exports to the European Common Market during the first 7 months of 1988 totalled 15,613,000 Jordanian dinars, compared to

8,979,000 Jordanian dinars in the same period in 1987, i.e., they increased by 6,634,000 Jordanian dinars, with West Germany and Italy being the main recipients of Jordanian exports.

The value of Jordanian exports to the rest of the European countries, including Austria, Sweden and Switzerland, totalled approximately 475,000 Jordanian dinars during the first 7 months of 1988, compared to 87,000 Jordanian dinars in the same period in 1987.

Jordanian exports to the U.S. [in the first 7 months of 1988] totalled 327,000 Jordanian dinars, compared to 587,000 Jordanian dinars in the same period in 1987.

The value of Jordanian exports to socialist countries [in the first 7 months of 1988] totalled 19,304,000 Jordanian dinars, compared to 18,468,000 Jordanian dinars during the same period in 1987.

The value of Jordanian exports to India increased during the first 7 months of 1988, totalling approximately 19,369,000 Jordanian dinars, compared to 9,125,000 Jordanian dinars in the same period in 1987.

The value of Jordanian exports to Japan during the first 7 months of 1988 totalled approximately 2,915,000 Jordanian dinars, compared to 4,685,000 Jordanian dinars in the same period in 1987.

The value of Jordanian exports to other countries, including Turkey, Taiwan, South Korea, Indonesia and Pakistan, increased to approximately 34,678,000 Jordanian dinars in the first 7 months of 1988, compared to 23,831,000 Jordanian dinars in the same period in 1987.

These figures indicate that the percentage of the increase in the value of Jordanian exports was greater in 1988 compared to 1987; however, it is expected that this percentage will double during the current year due to a combination of factors, the most important of which are the economic measures taken by Jordan at the end of last year, which focus on encouraging local production and export operations so that they insure an increase in Jordan's sources of foreign currency.

## KUWAIT

### Petroleum Coke To Be Exported for First Time

44000334 Kuwait ARAB TIMES in English  
23 Jan 89 p 11

[Text] Kuwait, 22 January, (KUNA)—Kuwait will export petroleum coke for the first time in the first half of this year thanks to the recent modernisation of the Minah 'Abdallah port and its refinery, a senior oil marketing executive said in a statement published here today.

The Kuwait Petroleum Corporation's sales manager for the West Suez area, Kamal al-Harami told AL-SIYASAH newspaper the port's modernisation will also contribute to the improvement of the quality of refined crudes and significantly raise the capacity of the port's refinery.

### Capacity

The refinery's capacity will shoot up from 120,000 a barrels per day to 180,000 a day, he said.

He added that the country was now refining some 60 percent of its crude, or 600,000 barrels per day.

Al-Harami said Kuwait's oil marketing policy was designed to minimise risks and rely on foreign outlets for oil by-products.

Regarding the corporation's activities in 1988, al-Harami underlined that KPC managed to sell its products in the United States, and Turkey and found new markets in Africa, South East Asia and the Far East.

On the marketing outlets, al-Harami said that 50 percent of Kuwait's production goes to east of Suez, and 50 percent to the west.

### Marketing

On the retail sales, he said that Q8, the corporation's marketing arm, now owns more than 5,000 gas stations in Europe including Holland, Italy, Luxembourg, Sweden, and Britain.

The oil executive expressed satisfaction that the ceasefire in the Gulf war will help stabilise oil markets and increase the coordination opportunities among the OPEC member states.

He confirmed that 70 percent of Kuwait's oil is being shipped by Kuwaiti-owned tankers.

### Minister Discusses Expatriates, National Manpower, Private Sector

44000354b Kuwait ARAB TIMES in English  
5 Feb 89 p 1

[Text] Rectifying the demographic structure is the prime objective of Kuwait's development plan, Dr 'Abd al-Rahman al-'Awadi, the Minister of Planning has said.

The minister said that a number of measures will be taken to strike a balance between the number of Kuwaitis and expatriates.

One of the measures will be to reduce dependence on expatriate manpower through wider use and deployment of modern technology and encouraging nationals to effectively increase their contributions to the production process.



### Employ

But, he added that reducing expatriate manpower does not mean getting rid of certain groups of employees. "It must be understood that work must be carried out."

Al-'Awadi said that the government will not employ non-productive Kuwaitis just for the sake of sacking expatriates. "At the same time, doors will be opened for capable Kuwaitis to carry out work in the best possible manner," al-'Awadi added.

Explaining Kuwait's development plan, he said that the government will encourage the high population growth rate of Kuwaitis and take all the necessary measures to keep it high. The plan lays emphasis on paying more attention to mother care and child welfare programmes, encouraging early marriages by providing aid, loans and social services.

The plan aims at developing the national manpower through training and education. It also encourages women to join the work-force—thus increasing the contribution of the nationals, al-'Awadi said.

On the 1990-1995 five-year plan, he said that the new plan will be discussed by the Council of Ministers, other cabinet committees and the Fatwa and Legislation Department. Implementation is expected to commence from the middle of next year, al-'Awadi said.

On the role of the private sector in development, the minister said that the government will not hesitate to hand over any project to the private sector if it is convinced that the latter is capable of undertaking the responsibilities professionally.

**Labor Market Stability of Prime Concern**  
44000354a Kuwait ARAB TIMES in English  
28 Jan 89 p 4

[Article by Husayn Salamah]

[Text] The Ministry of Social Affairs and Labour is keen to ensure freedom of work in the Kuwaiti labour market, according to a senior government official.

Muhammad al-Shabnan, the Assistant Undersecretary at the Ministry of Social Affairs and Labour said that this freedom will not be at the cost of stability in the market. Instability, he said, retards good productivity and serves neither the employer nor the employees.

### New Permits

To demonstrate the ministry's value for freedom, last year about 53,000 residencies in the private sector were transferred. Moreover, over 4,600 workers—mostly people who do small handicraft jobs sponsor themselves. The residency departments in the four governorates completed over 400,000 transactions last year, al-Shabnan said.

In the past four years beginning 1985, the largest number of expatriate workers entered Kuwait in 1988. Last year, about 90,000 new work permits were issued and over 62,000 workers entered the country. Those who did not enter, are expected to arrive later as the validity of the permits has not expired yet, the official said.

He added that during the last four years, 195,000 new workers entered Kuwait out of a total of 257,000 work permits issued. A total of 131,000 expatriate workers left the country permanently during the same period. Additionally, 81,000 residencies were transferred to the private sector from other sectors.

### Increase

Al-Shabnan said that there has been a gradual increase since 1985. During the year 1985, '86, '87 and '88, 41,600, 42,200, 49,000 and 62,000 workers respectively entered Kuwait. Work permits for over 148,000 workers during 1988, 153,000 renewals in 1987, 139,000 in 1986 and 142,600 renewals in 1985.

On workers disputes in the private sector, 6,672 were recorded—1,565 were solved cordially, 2,480 referred to the courts, while the rest are still being investigated, the officials said.

### New Labour Law Discussed

#### Law Described

44000335 Kuwait ARAB TIMES in English  
16 Jan 89 p 4

[Text] The new labour law signed Saturday by the Minister of Social Affairs and Labour Shaykh Nasir Muhammad al-Ahmad prohibits employers from employing workers without getting permission from the ministry.

The permission to hire a foreign worker is not transferable during the first three years even if the worker is hired locally. In government projects, workers are not allowed to transfer to another sponsor during the contract between them and their original employer except in the case of withdrawal of the project from the original contractor, and transferring it to another. In this case the workers of the project can be transferred to sponsorship of the new contractor without abiding by the period (three years). After the completion of a government

project the contractor can transfer his workers to sponsorship of another employer who is carrying out a similar project or return them home.

### Exemption

The minister has the right to exempt any worker from restriction of the three years period. The ministry also has the right to exempt those who have lived in Kuwait for 10 continuous years, from this period, if they are dismissed from their work according to articles 57 and 59 of the private sector labour law. The ministry has the right to transfer the work permit to another sponsor even if his employer refuses, or without referring to the employer.

### Rights

The employer should cancel the work permit of his worker at the end of his work and return him to his country at employer's expense unless he has the right to transfer his work permit to another sponsor.

The ministry also has the right to reject any work permit application, renewal or transfer even if the conditions are met, without revealing the reason. The ministry also has the right (without revealing reasons) to ask the employer to cancel the work permit of a certain worker and return him to his country.

The order calls for unemployed Kuwaiti and GCC citizens to register their names at the specialised labour departments. These departments will exchange information in order to find jobs and nominate them according to qualification and experience.

The labour departments will not permit any employer to bring or employ a foreign worker if they have workers registered in these departments who can occupy the same jobs. The departments will not issue work permits for foreign workers if employers refused to employ registered workers.

### Unfavorable Reaction

44000335 Kuwait *ARAB TIMES* in English  
17 Jan 89 p 4

[Text] The new labour law signed recently by the Minister of Social Affairs and Labour which reorganises labour in the private sector has created several reactions among the public.

A local daily concluded a poll on citizens, workers and businessmen alike, in order to highlight and monitor opinions of the people concerned. Some businessmen appreciated the order, some described it as ambiguous and others welcomed it.

Three-year contracts, transfer of residence regulations and the ban on part-time work were all considered a problem to the labour force.

Uthman al-Nasrallah, manager of a private company, complained that the new regulations will restrict business movement and added that the obligation of an employer to sponsor the employee for three years with no transferable residence will prejudice against the employee if the employer wishes to dismiss him prior to the expiry of the residence.

He criticised the fact that authorised signatures of the company should belong to a GCC citizen as this issue should be handled by the company's owner and he should reserve the right to authorise anyone on behalf of his company.

Badir al-'Asfur, an employer, agreed with the latter on the matter of prejudice and residencies. He clarified that this issue should be left to firm owners as some employers may need part-time workers only, and should be allowed to employ such.

He also disagreed with articles concerning the appointment of Kuwaitis and GCC citizens due to the lack of practical application within the Gulf countries since most GCC citizens preferred administrative work to technical. In addition wages of Kuwaitis and GCC nationals will be much higher than that of expatriates.

'Abdallah al-Sarraf was against the prohibition of importing labour if the state can provide it. He said that this will cause inconvenience and will eventually force the employer to reject all workers offered by the ministry until permission to import is awarded.

Al-Sarraf added that he has no objection to allowing an employee to work part-time after working hours, as long as his original work is not affected.

Shahhadah Hasan, a worker, supported the re-organisation of work in the private sector, but featured the provision that bans transfer of residences. He hoped that the ministry will review this provision and substitute it with another which will provide psychological stability for employees.

Khalid al-Hamad, a citizen, said that the problem with any new law is the actual application. He hinted that some companies were suffering an inflation in work force.

Husayn al-Wat, citizen, supported the appointing of GCC citizens, in particular, but said that they required more time to gain the necessary experience.

Mahmud Ahmad, a worker, said that GCC citizens lacked technical experience and thereby felt their appointment for such jobs was premature.

Hasan Khalajah, a worker, stated that the country's future is important to all residents but feels that the new provisions for transfer of residence will be unfair to those who have worked for the country for a long time and hopes the ministry will exclude it.

#### **Official Explanation, Company Reactions**

44000335 Kuwait ARAB TIMES in English  
21 Jan 89 p 4

[Text] Ibrahim al-Mudhaf, acting Undersecretary of the Ministry of Public Health, has expressed support for the new labour law which was recently issued by the Ministry of Social Affairs and Labour.

He said that the new labour law protects firm owners from constant manpower infiltration.

The new law, he added, was unlikely to give firm owners the opportunity to exploit their employees as a written contract between the employer and his employee protects the rights of both sides, thereby preventing exploitation.

#### **Encouragement**

Mudhaf welcomed the decision which gives nationals priority of employment in the private sector and urges firm owners to encourage them to join the private sector. He called on firm owners to maintain and protect the work rights of nationals.

The official felt that employing national manpower is much better than importing, which usually has many negative effects on society.

Yusif al-'Atiqi, Assistant Undersecretary for Service Affairs at the Ministry of Health said that company and hotel labour service problems must be solved, adding that it was illogical to dispense with trained workers.

#### **Transfer**

He pointed out that new regulations will restrict business movement, and the obligation of an employer to sponsor the employee for three years with no transferable visa opposes the rationalisation policy. A new system should be utilised to permit companies to transfer their workers to another company.

The official added that some companies were suffering a workforce inflation, while others face shortages and are therefore forced to hire local manpower from other companies.

He declared that the new labour law will be a burden to the Immigration Department and the Ministry of Social Affairs and Labour.

He felt that giving priority to national manpower in the private sector is premature and needs a long-term strategy, as GCC citizens lack technical experience. Systems should be utilised to prevent expansion of job opportunities in the public sector, he said.

Widad al-Suwayh, Technical Consultant and Director of the Minister of Municipal Affairs Technical Office, said that a three year period for a transferable visa is a long time and in the long run, the implementation of the new labour law will show negative effects.

A'dal al-Baghli, a firm owner said that the new law will create problems for employers since the hiring of nationals will mean that salaries will have to be raised. Most companies seek cheap labour, and with the current economic conditions, an increase in salaries will create hardship.

As'ad Imadi, another firm owner, said that a firm may need part-time workers only, and should be allowed to employ them. On the other hand, many people cannot live without their part-time jobs because the cost of living in Kuwait is very high.

Meanwhile, a number of lawyers, asked to comment on the new labour law in the private sector, pointed out that the law greatly restricts the freedom of both employees and employers.

They specifically pointed out the clause that bans private sector employees from transferring their residence from one employer to another before the lapse of three years. They added that this article is against the rights of both employees and employers.

The lawyers demanded that the law should not come into force two months after appearing in the official gazette but after one year.

Lawyer Sarah 'Abdallah al-Duwayj said that employers will suffer financially because their work will be delayed if the workers they recruit are not good and because they cannot replace them with others. She stressed that the freedom of movement of both employees and employers should not be restricted because it will lead to economic stagnation.

#### **Stagnation**

She described this clause as one of the many "not well studied" decisions that lead to stagnation.

She added that by this clause, the government is complicating procedures and hampering economic activities in the country.

If the employer sacks some of his employees, he cannot replace them quickly because of the law. Such employers will have to wait for the availability of Kuwaiti or GCC manpower.



She pointed out that this law will make Kuwaiti employees lazier simply because they are strongly backed by the law.

She further added that the law will also force employers to employ certain types of employees that they may not like. She said that the law also obstructs the recruitment of expatriate manpower, thus depriving local businessmen from having well-qualified and highly skilled manpower that they badly need.

#### Costs

Al-Duwayj said that the restrictions on bringing manpower from outside Kuwait will force employers to employ people from within the country, who usually cost much higher than those from outside. This will increase the cost of local business who will resort to price increases and ultimately consumers will suffer.

She said that the main problem with the unemployed Kuwaiti graduates is that they do not accept ordinary jobs and always want leading posts.

On his part, advocate Walid Muhammad Nasir said that the new labour law will help employers harass and oppress their expatriate employees.

#### Executives State Objections

44000335 Kuwait ARAB TIMES in English  
23 Jan 89 p 4

[Text] A company executive in Kuwait has suggested the setting up of a committee of representatives from the public as well as the private sector to study special cases of workers who will suffer because of the new labour law.

Muhammad al-Niji, chairman of Arabian Light Metals said that specialists should be treated differently from ordinary labourers since the latter are unskilled while the former are highly qualified.

He further added that the new labour law has been issued several years late and that the previous law was contradictory and allowed both employees and employers to take advantage of loopholes.

#### Opinion Poll

Al-Niji pointed out that the Ministry of Social Affairs and Labour and the Chamber of Commerce should have conducted a public opinion poll before issuing the law. He also added that the law should be humane.

Al-Niji said that the state benefits from employing expatriate workers because it spends nothing on educating and training them. It is also not obliged to take care of retired expatriates, he said.

Meanwhile an expert on manpower 'Ali Musa said that the problems of trading in work permits, hiring foreign manpower and getting nationals to work in the private sector cannot be remedied by issuing an administrative order.

He said that the majority in the private sector are those labourers who work for very low wages and that Kuwaitis will not accept such jobs even if private companies are ordered to hire them. The same also applies to GCC citizens, he said.

Musa added that the problem in the labour market should be taken care of by relevant authorities but not with an order.

#### Consequences

He said that Arab expatriate manpower decreased from 50 percent of the total expatriate manpower in Kuwait in 1980 to 46.5 percent in 1985. Asians on the other hand increased from 38 percent in 1980 to 52 percent in 1985.

Commenting on the economic consequences of the order, Musa said that many expatriates are classified as production and normal workers. They reach about 210,000 workers of the total of 539,000 workers, according to census of 1985.

This category of people are not very well paid anyway and they will not be affected if they want to shift from one company to another which in turn means that the order will not have any positive economic consequences.

A Kuwaiti businessman, Jasim al-Wazzan, praised the new order but took objection to the ban on transfer of residence for three years.

He asked why an employee could not transfer his work permit if he had the approval of both the new and old companies. Some companies go bankrupt and close down before the three year period, he said.

Al-Wazzan added that employing Kuwaiti and Gulf citizens is a national duty, but who will ensure they will not leave their jobs? Expatriate manpower can be controlled, he said.

On the other hand, there is a wage difference between expatriates and Kuwaitis, he said and proposed that the Ministry of Social Affairs and Labour should publish a salary scale for Kuwaiti and Gulf citizens working in the private sector.

He added that some companies need workers to work part-time only or to do temporary jobs, but the labour law forces the employing of full-time workers. He also suggested the period of residence of foreign workers be

increased from two to five years as in the public sector. He also called for better facilities so the workers in the private sector can bring their families to live with them in Kuwait.

**Problems Faced by Asian Workers Described**  
*44000339 Kuwait ARAB TIMES in English*  
12-13 Jan 89 p 4

[Text] A serious problem has arisen from the fact that many local companies have suspended paying Asian workers their salaries. This and the inhumane conditions that are imposed on the workers have attracted the attention of both the relevant embassies and Kuwaiti officials.

These workers came to Kuwait after signing legal contracts with the companies, however the latter did not honour the contracts, thus leaving tens of thousands starving and living in deprivation.

The majority of workers, technical or otherwise, are suffering from the lack of payment over several months, sometimes up to eight months. According to reliable sources, the total amount of unpaid salaries of Sri Lankan workers in Kuwait has reached KD100,000.

Workers usually wait for three months without pay and without complaining to the relevant authorities, hoping that they will be paid eventually. However, they then turn to their embassies, who can do nothing except provide moral support and advice on how to proceed against employers. On many occasions, workers organise strikes or sit-in at their embassies until they are promised solutions and thereafter return to work.

There are about 50,000 Indian workers in Kuwait, of which over 20,000 are maids and servants. There are also 52,000 Bangladeshi workers; 35,000 Filipinos (mostly maids) and 100,000 Sri Lankan workers (about 40,000 being maids and servants) in Kuwait.

Workers are hired with promises of attractive salaries and free accommodation, however, on arrival they realise that the promises are just that. Even their modest salary is frequently deducted by employers who claim that the deduction pays for food or savings for the return ticket.

Between five and ten Asian workers are usually crowded into a single, narrow, unhealthy, non-air conditioned room, thereby breaking a Kuwaiti labour law (which states that workers should have comfortable accommodation). A worker claimed that inspectors are only shown the cleaner and larger rooms. The workers blame agents in their countries who brought them to work in Kuwait as they forged contracts and broke laws.

Using Asian workers has become a profitable trade as it does not require a large capital and the demand on such workers is rising continuously.

The Chairman of Kuwait Labourers Union, Rashid al-Falah, called on officials to study and settle the workers' payment problem when the workers pleaded for help from the Kuwaiti government. He described the behaviour of employers as unjust.

Although the ministry sympathises with workers, there is no law which protects and organises labour employment. Also, as a free market, there is no minimum wage limit, such wages depend on the principle of supply and demand.

Workers and their embassies have called for the development of a salary scale for workers in the private sector which should be determined by a minimum wage requirement.

**Causeway To Link Kuwait City, Subiyah**  
*44000336a Kuwait ARAB TIMES in English*  
26-27 Jan 89 p 1

[Article by Jadranka Porter]

[Text] Kuwait will construct a causeway spanning the bay of Kuwait to provide quick access to the newly proposed town of Subiyah, some 90 kilometres north of Kuwait City.

The cost of the project is estimated at about KD [Kuwaiti Dinar] 300 million, according to a source.

The Ministry of Public Works has asked several embassies including British, French, Dutch and Japanese to provide them with a list of contracting firms capable of undertaking the project

**Expected**

The 30-km causeway will stretch from the end of Ghazali Street in Shuwaykh straight across the bay to a point where it will join the main road to Subiyah.

It will be six kilometres longer than the causeway linking Bahrain and Saudi Arabia which was opened in 1986.

The Bahrain-Saudi causeway was built by a Dutch firm, Ballast Nedam, which, industry sources said, could be expected to be among the contenders for the project.

A firm with experience in Kuwait is the French company Bouygues which constructed the causeway linking Kuwait with Bubiyan island. The firm is included on the list of French contractors.

A spokesman for the French embassy said Kuwait had expressed satisfaction with the firm's performance. A construction industry source said that Bouygues built the causeway at a comparatively low cost.

The Japanese list of more than 20 firms includes the Kumagai firm which constructed the bridge over the Strait of Bosphorus, Turkey.

### **Education, Expenditures, School Statistics Described**

44000338 Kuwait ARAB TIMES in English  
14 Jan 89 p 4

[Text] Geneva, 13 January (KUNA)—The number of students at schools in Kuwait has risen from just 600 fifty years ago to 361,711 in the 1986/87 academic year, according to a new study issued by the Ministry of Education.

The report, presented to the 41st International Education Conference currently in session in Geneva, noted that the government's spending on education had in recent years taken up an increasingly large proportion of the national budget.

In the year 1985/86, 7.9 percent of the state budget went to the Ministry of Education, while the following year it rose to 9.0 percent and for 1987/88 it was fixed at 9.4 percent, totalling 296.98 million dinars.

### **Costs**

Of the sum, 8.65 percent was spent on kindergartens, 22.4 percent on elementary education, 24.9 percent on intermediate, 19.5 on secondary and 7.9 percent on subsidies for private education.

The administrative costs of running the ministry accounted for 6.85 percent of the budget, compared with 7.95 percent the previous year.

Figures from the report showed that there had been a significant move away from state schools to private education in the period between 1985 and 1987.

While the state kindergarten and secondary schools recorded stable or growing pupil numbers during this period, there was a downturn in student numbers in elementary or intermediate state schools.

For the private sector, there was a sharp upturn in student numbers in both elementary and intermediate education.

### **Private Schooling**

The detailed figures are as follows:

For the state kindergarten sector, the number of schools increased from 94 to 112 between 1985 and 1987, with the number of pupils rising from 27,480 to 33,357.

In the private sector the number of kindergartens increased from 67 to 79, and pupil numbers rose from 15,350 to 16,118.

For state elementary education the number of schools was increased from 188 to 195 in the period 1985-87, but pupil numbers fell slightly, from 124,066 to 119,932.

In the private sector schools numbers in elementary education rose from 82 to 102, while pupil numbers rose from 48,900 to 61,765.

The number of intermediate state schools was increased from 168 to 174 between 1985 and 1987.

Student numbers eased very slightly over the two years, from 121,696 to 120,961.

Private intermediate school numbers rose from 61 to 87, while the numbers of students increased from 19,435 to 27,579.

The secondary state sector witnessed an increase in school numbers from 98 to 107 over the two years.

Student numbers rose from 78,715 to 86,323 between 1985 and 1987.

In comparison private secondary school numbers rose from 44 to 52, with numbers enrolled increasing only fractionally, from 13,362 to 13,410.

### **New Highway Network Planned**

44000337 Kuwait ARAB TIMES in English  
16 Jan 89 p 4

[Text] The Chief Engineer of the Roads and Drainage Department at the Ministry of Public Works, 'Ali al-'Abdallah, was quoted as saying that a comprehensive structural layout for the country had been prepared by the ministry.

In an interview with a local daily, the official said that the layout included construction of a new highway network which aims at surmounting problems facing traffic movement.

He added that works at the Ghazali flyover are progressing. It stretches over 4,100 metres and is designed to ease traffic movement in the industrial area. He said that the project will cost KD31 million and that 1,850 metres have been constructed so far. The remaining part of the project is located at the junction of the Fifth and Sixth Ring Roads.

Al-'Abdallah added that the project includes establishing a pedestrian bridge at the junction of Al Ghazali Street and Fourth Ring Road. He added that the project began in 1985 and is expected to be completed by March 1989.

Al-'Abdallah also said that the main contractor was a foreign company, while local firms were awarded sub-contracts.



About 1,500 workers are working on the project and 120,000 tons of cement and 25,000 tons of steel are being used. The official also said that four workers were killed and one injured during construction.

He added that the project will be handed over to the ministry on time, as no problems that may delay the process has been reported so far.

## LIBYA

### Report Lists Objectives of Land Reclamation Project

45040161b Tripoli AL-SHATT in Arabic 22 Nov 88 p 4

[Text] AL-SHATT has learned from Brother Mustafa Ma'anah, head of the plant production section in the General Agency for Agricultural Production, that within the framework of the agency's preparations for the 88/89 growing season, a number of coordinating steps have been taken, stemming from the agency's coordinating role, between the agency and the secretariats of agricultural reclamation in the municipalities, in order to bring about the success of the current growing season. Thus a schedule has been set up for grain cultivation that aims at planting 720,000 hectares of wheat and barley in the municipalities, in addition to projects of the desert agency. With respect to the goals of grain cultivation in the Municipality of Tripoli, the head of the section said that the Municipality of Tripoli has allocated 30,000 hectares for the cultivation of wheat and barley, divided as follows:

People's wheat section, 5000 hectares.

Individuals' wheat section, 4575 hectares.

People's barley section, 3525 hectares.

Individuals' barley section, 16,100 hectares.

Irrigated wheat in the people's section, 500 hectares.

Irrigated wheat in the individuals' section, 2875 hectares.

Rainfed wheat in the people's section, 4500 hectares.

Rainfed wheat in the individuals' section, 1700 hectares.

Irrigated barley in the people's section, 125 hectares.

Irrigated barley in the individuals' section, 1300 hectares.

Rainfed barley in the people's section, 3400 hectares.

Rainfed barley in the individuals' section, 7600 hectares.

The head of the plant production section in the agency added that the agricultural reclamation secretaries in the municipalities had established goals for planting fruit trees for this season of up to about 6,258,000 saplings. The municipality of Tripoli's share of them is about:

50,000 apple saplings.

20,000 pear saplings.

50,000 table olive saplings.

30,000 olive saplings for olive oil.

10,000 (awaynah) saplings.

10,000 apricot saplings.

10,000 banana suckers.

10,000 plum saplings.

10,000 fig saplings.

25,000 pomegranate and citrus saplings.

12,000 pistachio saplings and date shoots.

The total is 237,000 saplings.

Targets were also set for all of the municipalities for planting woodland trees.

## SUDAN

### SLF Leader Claims Al-Mahdi's Abandonment of Peace Move Aids Rebels

45040210A Khartoum AL-SIYASAH in Arabic  
20 Jan 89 p 7

[Article by 'Uthman Ibrahim al-Tawil, head of the Sudan Liberation Front (SLF): "Al-Sadiq al-Mahdi Is Architect of Sudanese Initiative; Why Has He Abandoned It?"] txt [Text] Anyone who has been following political developments since Mr al-Sadiq al-Mahdi's coming to power finds that al-Sadiq has been taking many steps in different directions, especially on the issue of the war in the South. This has allowed the rebel colonel and his group to benefit from these contradictions. Continued postponements by the rebels pushed al-Sadiq's government, with the southern parties, on the one hand, and the left, on the other, to take ill-considered initiatives. This pushed al-Sadiq, in his transitional charter, to unite the internal southern block under his leadership in his transitional charter. This transitional charter included an explicit provision to delay controversial problems about religion and identity until the national constitutional convention. The transitional charter also defined the aspects related to a cease fire and lifting the state of emergency. What new element has al-Mirghani brought, that al-Sadiq should reject it?

Those who beat the drums of war are indeed mistaken, because the rebel colonel might also threaten continuance of its thunderbolts. Amidst the threats by supporters of the war on the side of the movement and internal

elements in al-Mahdi's government, we find that Prime Minister al-Sadiq al-Mahdi's moderate tone has also started hinting at extreme measures advocating deterrence, before sitting down at the constitutional convention. The Sudanese majority that gave al-Mahdi 50.62 percent of total votes of the Sudanese (al-Mahdi would have been able to claim exclusive power had representation been proportional)—this majority wanted the son of the late al-Sadiq al-Mahdi, with the Sudanese nation behind him, to define frankly the ethical framework of the issue of the southern war. The Sudanese were indeed confident in his leadership in case the rebel movement showed itself obdurate; but if the rebel movement wants democratic dialogue in accordance with the Sudanese initiative, which was purely the handiwork of al-Sadiq personally, al-Sadiq has no justification for telling everyone that there are aspects that must be debated. The issue in the end is open to debate, since the initiative was no revealed book, but rather an initiative characterized by developing flexibility. If the fear regarding this initiative is that the left is hiding behind it to suspend the Islamic laws, as a preliminary to repealing them at the constitutional convention, we say that such talk is premature. The demands and slogans of the rebel movement and its leftist allies can be described as excessive and unfair. The Sudanese majority cannot abdicate its Shari'ah. And as for the constitutional convention, its participants will be leaders with political sophistication.

We support this Unionist initiative, because we know that Mr al-Sadiq al-Mahdi personally was its author. He debated and reached agreement with us to implement the transitional charter. Al-Sadiq encouraged the Unionists to go forward to implement this initiative. He was committed to its implementation while Democratic Unionist efforts were succeeding. He cancelled all his commitments to the rebel Colonel Garang and his meeting with him in Kampala, so as to pave the way for al-Mirghani to implement and continue his efforts concerning the Sudanese initiative. Therefore, any government tactics to play down the Unionist initiative after its acceptance by the rebels will benefit the rebel colonel, since any step to postpone or abort the Unionist initiative will be to the advantage of the rebel movement.

In his past meeting with the African bloc, the rebel colonel presented his position as working to achieve peace in light of equality. He was able to win the African bloc to his side. Thus, in Addis Ababa, the problem raised for discussion between the rebels and the Sudanese Africans was not the question of the war, but rather the question of the reason that had to be reached for the war.

In Uganda, the important matter in the negotiations was not merely the repeal of Islamic laws and the constitutional convention, but rather the manner of achieving proportional division for the national share of income. Thus joint statements by the rebels and Sudanese Africans, in the presence of the heads of the neighboring African states, condemned the government and affirmed

its inability to confront the issue of war and peace in the South of the Sudan. This is what the rebel colonel has now repeated with the Democratic Unionists, when he proposed himself at the side of the leader al-Mirghani as a leader for peace and extracted Democratic Unionist recognition, as he had previously done with the African bloc. Mr al-Sadiq al-Mahdi is now faced with a historical predicament, and there remains only one way for him to emerge unscathed. If his government fears its existence, he must immediately disavow the initiative—even though it was his doing! However, if Mr al-Sadiq al-Mahdi is leading a government that maintains its honor, the entire world is supporting the Unionist initiative. The world is beginning to hold him responsible for the failure of peace opportunities. He is responsible for the tension of the situation, despite the enormous efforts he is making. His own allies were the ones accusing him of lack of credibility, even before such serious accusations came from his political antagonists. This is what requires time, so that Mr al-Sadiq al-Mahdi can demonstrate the opposite of what others believe about him.

If Mr al-Sadiq al-Mahdi through his party participated in all the successful initiatives, such as the Kokodam initiative, which has now become the reference for all initiatives or the point of departure toward the constitutional convention, the Democratic Unionist Party (the Ummah Party's real ally) must not shut the doors of cooperation. Particularly if the goal of its withdrawal from the government is to strive for peace, its duty now is to get the rebel movement to accept the remarks of al-Sadiq al-Mahdi [senior]'s son and achieve a rapprochement of viewpoints between him and the rebel Colonel John Garang. The mandate al-Sadiq received from the Constituent Assembly to hold the constitutional convention at the end of last year confirmed that the Constituent Assembly was searching for peace and stability in the unknown. Whatever one thinks about the ethical aspect of this expired mandate, it has created a gulf that can be crossed only if the Democratic Unionist Party returns to the government ranks. While the mandate was for the government to accept the initiatives advanced by the country's political forces, the government itself has rejected the communist initiative and the initiative of the African bloc, deeming them to be Marxist-ecclesiastical plots made behind the scenes to pressure al-Mahdi's government. What then are the government's justifications for rejecting the Unionist initiative, when it is something of Mr al-Sadiq al-Mahdi's own doing personally?

When the rebel colonel saw that the government had rejected the Unionist initiative or had tried to delay it by incorporating it into previous initiatives rejected by the government earlier, so that the Unionist initiative was destined to join the circle of its sister initiatives, the rebel colonel held fast to the Unionist initiative on the ground that this initiative was the final one and was marked by principles and integrity. This is what has made our Democratic Unionist brothers solemnly swear that John Garang has no personal ambitions and that his one

desire is peace. The Unionist initiative has given the rebels firm international ground and has derailed al-Sadiq al-Mahdi's attempts to unite the domestic front, since this domestic front is facing a series of suspicious maneuvers and plots. Al-Sadiq still holds the strings of the political game and is at the head of all proposed governments, whether a government of national salvation, a broadened national government, a peace government, a minority government, or a coalition government. Thus, al-Sadiq is master of the situation. The country's welfare requires rallying around him to find a way out of this deadly predicament.

**Al-Mahdi Blames Economic Woes on Politics, Nonimplementation**

45040200A Khartoum AL-AYYAM in Arabic  
23 Jan 89 p 5

[By 'Awad Abu-Talib]

[Text] At the press conference he held recently, Prime Minister al-Sadiq al-Mahdi said that the absence of an economic plan is not the problem of Sudan's economy. Rather, the problem of Sudan's economy is the deficit which is plaguing the economy and limiting Sudan's choices. That, [according to the prime minister], is the main reason for the economy's weakness. "Furthermore, the freedom which required us not to become followers and subordinates is shrinking in proportion to foreign participation. The costs of freedom are such that they require Sudan to accept the absence of this kind of support."

The prime minister said that the only way out of this economic impotence was to utilize and develop oil, deal with the foreign debt, bring the war to an end, and build development projects.

"The Economic Review" section of this newspaper questioned a few executive economists at the Ministry of Finance on this matter.

Mr Sa'd-al-Din Ibrahim said, "Economic plans which were devised to remedy the economic imbalance were not implemented. That aggravated the crisis. Therefore, when reform programs are prepared in the future, the possibilities for implementation are to be taken into consideration."

Mr Ibrahim said that Sudan was suffering from an economy which has been crippled by debt services and by a debt which amounts to \$10 billion. Also, loans received by Sudan were not used for specific reform plans intended to expand the base of production. Instead, they were used for other schemes which have to do with politics. Besides, inflation was becoming more widespread as a result of borrowing from the banking system, government expenses, and too much fat in the provinces' administrative organizations.

"To remedy this situation," said Mr Ibrahim, "the deterioration of the economy must be stopped by financing productive projects to expand the base of production. Priorities have to be set in a specific economic plan. Besides, it is important that some action be taken abroad to attract resources that would reduce the deficit ratio in the economy. It is also important to prepare a climate that is favorable for foreign investments, because foreign investments will not come to Sudan unless the war in the south is brought to an end."

At the Ministry of Finance, an official source on the economy said that Sudan's economy was plagued with several deficits. The general budget deficit is the result of the big difference between expenditures, which are rising, and revenues, which are falling. The second deficit is the deficit in foreign currency, which is due to the imbalance between the bill for our imports and returns from exports. Investment aspirations also fall short of savings, thereby creating a big gap between the two.

He said that doing something to correct these deficits would start with preparing a sound and balanced fiscal policy for the general budget. He said that such a budget could only be implemented in accordance with a reform program involving economic and fiscal policies that would lead to increases in production, on the basis of large returns from exports, as well as reductions in import invoices.

He said that it was quite regrettable that outlays in Sudan were linked with political decisions and not economic objectives. He said that a past major technical error in the budget could aggravate fiscal and economic crises: the general budget determined expenditures before it determined revenues. "In this regard, we have to know how much we have in real revenues. Knowing that, we can then determine how much we can spend."

The source said that the wage increase which was decreed recently represented a disaster for the economy because the matter had not been considered before the decree was issued. The government, whose economy is crippled, should be trying to stabilize prices. The alternative resources, which were specified to cover the cost of wages, will ultimately make the budget deficit worse. This is because returns from real resources are approximate since the ability to collect on these alternative resources [is uncertain].

**Columnist Criticizes Al-Mahdi's Lack of Success in Government**

45040200B Khartoum AL-SIYASAH in Arabic  
23 Jan 89 p 3

["Forbidden Words" column by Dr 'Umar Mahmud Khalid: "The Ummah Party and the Future"]

[Text] Mr al-Sadiq al-Mahdi must have realized quite some time ago that the main support for the Ummah Party in its old, traditional form, which is represented by



the al-Ansar organization, started to decline and continues to do so. Before too long, it will be unable to withstand the winds of change which are bringing in much science, awareness, and knowledge. Generations of fanatic Ansaris are becoming extinct. Time is making that inevitable. But the Ansaris of the last decade of the 20th century are another breed—they have their own opinions on all issues. There is more than one indication of that fact.

In exploring all these changes, Mr al-Sadiq al-Mahdi produced something new and set it forth in front of us. This was done to conform with the new, post-uprising reality. He formed the new National Ummah Party, and he issued an election program, "The Path of Awakening," with which he cleverly managed to attract intellectuals, moderates, young people, and other segments of society into the party. He was therefore able to score a victory for his party, which won a majority of parliamentary seats for the first time since it was founded early in the forties.

With this major political clout, Mr al-Sadiq al-Mahdi became the country's undisputed prime minister. He became the one with definitive opinions who spoke the last word on all the country's affairs during the past 3 years. What does Mr al-Mahdi's report card look like for that period? What did he accomplish for the nation and for the party? What are the effects of what he did and what he accomplished on the party's future?

It is quite obvious that Mr al-Mahdi did not succeed in implementing any part of "The Path for the Awakening." Nor did he accomplish for the nation anything to speak of. The war is still going on in more than one location, the laws (the September laws) are still on the books, high prices are crushing people, and the deterioration of security is alarming.

Recent events were tantamount to a dress rehearsal [of things to come]. They were also a sign of political danger. Will Mr al-Mahdi pay close and serious attention to this reality and "get his act together?" Will he strive in earnest and work tirelessly for peace and for improving living conditions? Will he strive to settle the problem of security and try to establish more democracy and freedom? Will he clarify the features of Sudan's foreign policy or will he continue to run around in circles? With elections around the corner, will he overlook things that could trigger a countdown to the end of his term in office?

#### **Engineers' Union Unhappy With Government Strike Settlement**

45040210B Khartoum AL-USBU' in Arabic  
20 Jan 89 p 4

[Text] The government recently announced its approval of the demands engineers presented after they announced that they would strike until their demands were answered. Because of the importance of this strike, we are focusing light on the demands the engineers presented.

Engineer Hashim Muhammad Ahmad, head of the engineers union, spoke on this subject, saying that the Engineers' Union had presented the minister of finance, in his capacity as employment agent, with demands relating to improved salaries, allowances, employment conditions, and certain professional issues. The negotiation and arbitration period ended without reaching an agreement about the issues that had been raised, so the strike of 6 December 1988 took place. It was postponed after a ministerial committee was formed with the goal of reaching a settlement of the dispute within 2 weeks. The ministerial committee put forward a proposal: confirmation of what had been agreed upon during the arbitration period, a salary increase between 55 and 113 percent, legislation to add 2 years to living services for graduates of the Engineering Faculty (6-year system), elevating the staff of the engineering ministries to the second special sector or to the first sector, if it included the rest of the professionals, increasing the building allowance, giving engineers an alternative subsidy to cover aspects relating to the extra duties engineers perform and to compensate for certain profession responsibilities that require complete devotion and freedom from commitment to work for any agency. Despite what was said in the negotiations, the ministerial committee submitted a proposal at variance with what had been agreed upon. This led the union to address a note to the committee chairman and the prime minister. The note was disregarded. In its Resolution 431 of 20 December 1988, the Council of Ministers approved the recommendations of the committee to remove differences. These came as a defeat for the engineer's side and overlooked what had been agreed upon.

#### **Wage Committee Recommendations**

The Council of Ministers decision approving the recommendations of the committee to remove differences contained the following:

1. The decision limited the first special sector to the deputy minister of finance, the office of the public prosecutor, and the secretary general of the Council of Ministers. It kept deputy ministers of the engineering ministries and other engineers in the second sector.
2. In an attempt to lower the second levels in the employment scale of the engineering ministries, titles were invented to distinguish in housing. It did not include in the lowest sectors department directors, senior engineers, chief engineers, resident engineers, and department engineers.
3. The salary increase was not between 55 and 113 percent; the real increase amounted to between 11 and 54 percent, after adding the housing and hardship bonus.

The decision retained the following extra bonuses: the bonus for workers in service affairs, and the bonus for economists, administrators, workers in the Council of Ministers and palace, administrative officers, teachers,

and research professors, along with funding any extra bonus or keeping the subsidy bonus which used to be granted to engineers. The Engineers' Union and engineering graduates of the Technical Institute therefore decided to strike. In the end, the government responded positively to the demands the union had approved:

1. Removal of the disparities that implementation of Council of Ministers Resolution 431 would have created,
2. Restoration of the subsidy bonus at the same rates the union had proposed,
3. Increasing the housing allowance increment and opposition to including it in the salary, because the proposed grade is not sufficient to rent a home,
4. Review of bonuses and increments on the basis of the union's note, and retaining the approved increment in accordance with the percentage of salaries.

The union denied that its demands were aimed in any particular political direction. The demands, it said, were clear. Had it not been for the Council of Ministers resolution separating engineers from everyone else, there would have been no opposition. If the union's just demands were met, then, as one member said, "Striking is no hobby."

After the strike was called off and the demands were met by approval of Circular 8, the president of the union said that this response obliged the engineers to turn to problems of production, now that the appropriate atmosphere had been provided. It had become clear that unions gain by adherence to the law and that the engineers' cohesion was what always realized their demands.

#### **Columnist Encourages Libyan Aid, Condemns Peace Initiative**

45040200C Khartoum AL-RAYAH in Arabic  
23 Jan 89 p 5

[Article by Muhammad Taha Muhammad Ahmad: "Topical Events: Our Heroes Dying in al-Nasir as Fifth Column Spreads Defeatism; Mansur Khalid, the Agent, Is One Who Advised Americans To Carry Out Military Strike against Libya; Sayyid Ahmad al-Husayn Says, 'They Will Not Be Able To Justify Action While John Garang Captures Libyan Airplanes and Pilots;' New Government Must Be Built on Skeletons of Fifth Column; We Have Nothing To Lose if Forces of Evil in World Fight against Us"]

[Excerpt] [Passage omitted] We cannot deny or reject assistance from Libya. We cannot do what the Unionists did and bite the hand of Mu'ammarr al-Qadhafi who has helped us in our predicament.

Unionist forces and the remaining forces that are loyal to Garang want to impose a government which favors this alleged peace. That is why Eliaba James Surur said this before his departure to Nairobi and Addis Ababa: "Conditions and moral circumstances in the country are

favorable for the question of peace. Many forces and the masses have joined the peace effort, and there is real unity and agreement on this question between the north and the south."

But what are these conditions which favor the question of peace? What do these conditions mean? Do fifth column political parties signify the rebels' treacherous attacks against the heroes of our armed forces in al-Nasir and their use of SAM-7 missiles against Sudanese airplanes and Sudanese pilots? Are these conditions the favorable ones they want to use to impose surrender? Fifth column forces are plotting for a new government which would be imposed by decree after John Garang's military victories in south Sudan. Woe to the people of Sudan! Their sense of identity and their faith will be lost forever if John Garang should impose his conditions while he is still elated by his military victories!

We do not wish to live in a defeated country in which a few political leaders are paid off in foreign funds. This is what recordings made on cassette tapes indicate. We do not want such people to make statements that are harmful to the interests of our people and our army. We do not want them to make such statements while al-Nasir is under siege and people are dying. We do not want them to make statements that will contribute to the defeat of honorable fighters.

The prime minister is being called upon today to declare a new government which will allow no room whatsoever for the fifth column. In fact, this government's program should be such that it will start out by running down the fifth column and building its program on their corpses.

Given the ambiguity of the political scene, the sense of weakness prevailing over time and space, and the spirit of defeat which has been infused into everyone, we fear that we might wake up one day and find that Sudan has turned into another Lebanon. We fear that we might find one state in Wadi Salih, one state in Jabal Murrah, a state on the hills of the Red Sea, a state in the area between Reng and Nimule, and so on and so forth.

Fifth column forces are now living the best days of their lives. They are spreading stories about how they managed to penetrate the [National] Islamic Front itself and were able to buy off two of its representatives. They are saying they will go ahead and buy off representatives of the Ummah Party. They are saying that they forced Mubarak al-Mahdi to request a meeting with Mansur Khalid, and they are also saying that after painstaking efforts, they forced al-Sadiq al-Mahdi to meet with Sayyid Ahmad al-Husayn.

Defeat is inevitable unless proponents of Islam in Sudan act to defend their existence, just as Muslims did in Mecca when they formed two ranks: the first was led by Hamzah ibn 'Abd-al-Mutallib, and the second was led by

'Amr Ibn-al-Khattab. Defeat is inevitable unless Muslims take action and declare, "Allahu Akbar wa Lillahi al-Hamd" [God is Great; praise be to God].

These days Sudan has lost everything it used to receive from the world. People are hungry, and they cannot get hungrier after that. Why hide our flaws? The world will not come to the aid of a government whose prime minister is al-Sadiq al-Mahdi and whose minister of foreign affairs is Dr al-Turabi. If we are firm and true in our resolve, let us accept the siege just as the chosen prophet, may God bless him and grant him salvation, accepted it for the people of Abu-Talib. The prophet accepted the siege in the desert of the Arabian Peninsula. Why shouldn't we accept a siege? Why not set a siege around the sorghum stalks, with sorghum being as abundant as it is in al-Qadafir? Why not put our trust in God? He will provide our subsistence just as He provides for the birds that come hungry and fly out with a full stomach.

## UNITED ARAB EMIRATES

### Official Calls for Efforts To Regain Garment Export Markets

44000316 Dubayy KHALEEJ TIMES in English  
28 Jan 89 p 15

[Article by P. S. Ramanathan]

[Text] Need for a coordinated effort among the chambers of commerce and industry in different emirates and garment exporters to regain lost export markets has been emphasised by a high official of the al-Shariqah Chamber of Commerce and Industry.

The official spoke to The Khaleej Times on condition of anonymity. He would not joint issue with allegations from American trade sources that not much of value addition was being effected to the garments made in this country to merit them exemption from a recent quota imposition.

"On the whole, the development has been unpalatable and should not have come about in the first place," he said.

How quickly the manufacturer-exporters of the UAE could regain the lost markets, specially the United States which accounted for the bulk of exports hitherto, would depend upon restoration of credibility to the trade.

Sources in the highly competitive industry, which caters to the Western fashion by out-fitting apparel in UAE-based factories from "specified cloth" fetched from the Far East and South East, seemed visibly appalled that a "few black sheep" had managed to deal a heavy blow to the thriving industry.

The consensus among the manufacturers appeared to be that such 'fly by night' operators should be put out of business, for the long-term good of everyone concerned.

"We have taken up the matter with the Federation of Chambers of Commerce and Industry in Abu Dhabi. It concerns the name of the UAE, and we cannot allow it to be tarnished," the al-Shariqah official said.

"It is time common norms and guidelines are evolved on the issue of Country-of-Origin certificates, both for manufactured goods and re-export merchandise. The sooner this process is completed, the better it would be for all."

Indications are that each emirate's chamber of commerce is getting geared to make sure of the veracity of documents they endorse, in addition to monitoring the extent of value addition done by each unit.

"It is in our own interest that we at the chambers of commerce and industry ascertain the nature, origin and worth of each manufacture's imports, the standards being maintained by him and the international rating of goods produced by him over a period of time," the official stressed.

Persistent efforts will have to be made by apparel makers to re-entrench themselves in the export arena, specially in the US market, but there is also a near-consensus that they ought to prospect alternative markets.

"It is certainly not wise to place all the eggs in one basket. It is more sensible to place them in many," a Dubayy-based exporter said. "The present predicament should be treated as a blessing in disguise and pointed efforts should be made to make up for it adequately."



## INDIA

### Reportage, Comment Following Gandhi Return From PRC

#### Remarks at Airport, Aboard Plane

46001278 Calcutta *THE TELEGRAPH* in English  
24 Dec 88 p 1

[Excerpts] New Delhi, Dec 23: The Prime Minister, Mr Rajiv Gandhi, has strongly denied that any secret understanding had been reached with China on the border dispute.

The Prime Minister denied a suggestion that an informal agreement had been entered into during his China visit on the border issue and the joint group would only formalise the agreement. He said the speculation was absolutely wrong, the Chinese knew the Indian position and India knew the Chinese position. The talks would go forward which would on work for a "fair and reasonable settlement."

The joint working group set up for discussions on a settlement of the border dispute would "deliver results," the Prime Minister told newsmen at Palam airport today on his return from his five-day visit to China. Mr Gandhi said the joint working group would be meeting with a specific mandate and "after the highest level political exchanges. We expect the joint group to deliver results."

The working group would set out its own functions and time-frame for a settlement. It will not be able to set a time-frame till it has had its first few meetings," Mr Gandhi said. A timeframe had neither been suggested nor agreed on for the working group, Mr Gandhi added.

Asked if the Chinese intrusion into Arunachal Pradesh had been raised in his talks, Mr Gandhi said they had not talked about the "nitty gritty of the border" but only basic concepts of how to deal with the problem in border areas.

The joint group would also ensure "peace and tranquillity" on the border, in case any tensions were building up there.

Mr Gandhi said the Indian policy on Tibet and the status of Tibetans living in India had not changed. "We are carrying on the same policy on Tibet that we have had from Panditji's time. We have not deviated from it. And the Chinese have appreciated our policy." On the question of not allowing any anti-Chinese activities by Tibetans in India as stated in the joint press communique, Mr Gandhi said, "That was the condition laid down in my grandfather's time."

Mr Gandhi denied that the Indian government would restrict entry of Tibetan refugees or the Dalai Lama.

The Prime Minister said his talks with the top Chinese leaders were "very good. I believe the visit to be a new beginning for the two countries." In the talks "we have realised that although the dialogue had been cut, those old thoughts, the treads remained and we've picked them up from there."

On whether Mr Gandhi found any commonality of views between Chairman Deng Xiaoping and the Soviet President, Mr Mikhail Gorbachev, in his discussions, the Prime Minister said there was a vision that both leaders had, which India also shared, based on peaceful coexistence and non-violence. "They may differ on details but not in substance," Mr Gandhi added.

Mr Gandhi said on his visit he was struck most by Chairman Deng's vision of a new world order based on Panchsheel and a new economic order. "In these areas we could work together very successfully," he said.

To the question from a Pakistani journalist on whether Pakistan had been discussed Mr Gandhi replied with a short no. Sensing the briefness of his reply Mr Gandhi added: "I'm sorry, but I didn't." To another question from the same source on whether Afghanistan was discussed and then Pakistan in the same context, Mr Gandhi said the Geneva accords had been discussed.

On whether Indo-Soviet ties would be affected by the China talks, Mr Gandhi said they would have no effect on Soviet relations which were very strong and growing stronger.

#### Further Details Given

46001278 Madras *THE HINDU* in English  
24 Dec 88 p 1

[Article by N. Ram: "Chinese Response Positive: PM"]

[Text] Beijing, Dec 23. "To the best of our knowledge, there are no Chinese nuclear missiles targeted at Indian targets. And this is not from what the Chinese have told us. This is from our information." This was the Prime Minister, Mr Rajiv Gandhi's response to a question, at a press conference on board the aircraft that brought him, and the large party accompanying him, back to Delhi from Shanghai. The question was whether there were Chinese nuclear missiles in Tibet targeted at Indian cities.

About the outcome of his visit, Mr Rajiv Gandhi said: "We got a very positive response from the Chinese leadership and I think from the Chinese people also. And it shows that there is a mood to change the relationship as it existed."

He observed in response to another question: "I think we have made a new beginning. We've got a political dialogue, which had been broken for many years, going again and I feel that things can be achieved."

Asked what was the essential difference between the eight rounds of official level talks held between 1981 and 1987 and the idea of the joint working group on the boundary question, Mr Rajiv Gandhi replied: "There's a lot of difference. First, the talks that were going on at the official level... were not only about the border. They were very broad and, in a sense, helped lay the ground for this visit. And they were two separate (sides), our Foreign Secretary and their Vice Minister separately. This is a joint working group of both together... So it is a focussed thing. And then they will also be working with the background of the highest level discussions. We feel that they can really cover ground now... Very much more purposeful, much more focussed and I hope they will give us results."

**Will depend on group:** Asked about the time frame in which the working group would complete its task relating to a solution to the boundary question, the Prime Minister said: "We didn't really set a time frame ourselves. That will depend entirely on how the joint working group gets going. And we will set a realistic time frame and the realistic can only be assessed once they sort of catalogue the problems and lay out a time frame for the solution of each. It may be more complicated...we'll have to wait for an answer to that."

In response to another question relating to the border issue, Mr Rajiv Gandhi said: "I don't think we need to go into the formulas. We know their formulas, they know our formulas. What we need to do is to get to the substance, get to the problems and try and find solutions. This is the task that the joint working group has been given."

Asked about the components or inputs that brought about the remarkable turnaround from the tense and unstable situation between India and China in mid-1986, Mr Rajiv Gandhi replied: "A lot of things go into it and it is difficult to elaborate all aspects at a press conference like this. But it is a continuing process. The process started in the early Eighties with Indiraji and then it continued with my meeting with the then Prime Minister, Mr Zhao Ziyang, in New York. And it has been continuing in that manner. We've been having meetings, there have been exchanges at various levels. So it is a process. While that process is going on, other processes also go on. Sometimes they are negative, sometimes they are plus. But we are glad that this process of talks that we have started had been fruitful."

**Lot of common ground:** About his visit, he said in response to a question: "What I had in mind as the foremost in going to China was the role that India and China need to lay in today's changing world relationship and the developing situation in the world. And I feel that after this visit there is a lot of common ground that we can work on in these areas."

Mr Rajiv Gandhi observed in response to another question about India-China relations: "Well, we've already put things on a particular path. We'd like to keep them on that path. I think we will be able to do a lot together."

Asked for his impression on his meeting with Mr Deng Xiaoping in Beijing, he said: "His ideas on a new world order, political and economic, are very similar to ours. And I thought there was enough commonality for us to work together very closely. We got along quite well."

**Looking forward to meeting Pak. P.M.:** In reply to a question on Pakistan, the Prime Minister said he was "looking forward very much to meeting and talking with Prime Minister Benazir Bhutto. We believe that on the basis of the Simla agreement, a lot can be done between the two countries." He hoped that the talks he would be having soon in Islamabad with Pakistan's Prime Minister "will bring about a new understanding certainly between the two countries."

Asked for an assessment of Pakistan's nuclear programme and the issues or concerns it raised for India, Mr Rajiv Gandhi said: "This is one of the more serious questions that we will have to tackle with Pakistan. Prime Minister Benazir Bhutto has said that she does not have a nuclear weapons programme. I have no reason to disbelieve her. At the same time, we have got information coming that indicates that they do have a programme and that it is fairly advanced. I will be talking to her about these things."

#### Followup Proposals

46001278 Madras *THE HINDU* in English  
6 Jan 89 p 9

[Article by K. K. Katyal: "Follow-up Proposals on Ties With China"]

[Text] New Delhi, Jan 5. Tentative proposals for follow-up action on the decisions taken during the Prime Minister, Mr Rajiv Gandhi's visits to China and Pakistan were formulated today at a meeting of senior officials conducted by the Minister of State for External Affairs, Mr Natwar Singh.

The proposed action covers a wide range composition of the Indian component of the joint working group on the boundary question as also of the apex body on economic and trade affairs in the case of China, and contacts at the levels of Ministers and officials in the case of Pakistan.

The discussions centred, among other things, on the time-table for the meetings in both the cases. No rigid deadlines were set by the fact that the issues thrown up by the Prime Minister's discussions in Beijing and Islamabad have been pursued expeditiously speaks of a sense of urgency. Among those involved in today's exercise were the Foreign Secretary, Mr K. P. S. Menon, and the Secretary, Information and Broadcasting, Mr Gopi Arora.

The working group on the boundary, as is known, will be headed by the Foreign Secretary on the Indian side and the Vice-Foreign Minister from China. The Indian personnel will include officials of the Ministries of Foreign Affairs and Defence and the Surveyor-General's organisation. The apex group will be co-chaired by the Commerce Minister, Mr Dinesh Singh, and the Chinese Minister of Foreign Economic Relations and will, on the Indian side, include officials of other economic Ministries, apart from Commerce, representatives of the trade corporations and officials of the department of Science and Technology. The working group, as was explained by the Prime Minister himself later, will seek to "get to the substance, get to the problems and try to find solutions," now that the formulae of the two sides were known.

Mr Gandhi's two missions have important common features despite points of contrast. In both the cases the dialogue at the highest political level has been resumed, on a highly hopeful note. The Prime Ministers of India and China met after 34 years and, as regards Pakistan, the latest contacts marked the first meeting of minds although the former Pakistani President, Gen Zia-ul-Haq, had been in touch with Mr Gandhi and earlier with Indira Gandhi. The formation of the joint working group is a concrete step to sort out the most ticklish Sino-Indian issue while efforts for promoting economic and trade cooperation do not look like running the risk of encountering political hurdles. That the task of devising specific schemes to step up trade—to take one instance—may not be easy because of the lack of complementarity in the economies of the two countries is a different matter. What is important is that political factors will not cast their shadow in these areas.

**Deep-seated distrust:** It is a different story with Pakistan—because of the deep-seated distrust and the history of tension, conflict and confrontation, beginning with the inception of that country. The three agreements, signed in Islamabad at the time of the summit of the South Asian Association for Regional Cooperation are notable more for their symbolic significance than practical value. The decision on one of the agreements—binding each country not to attack the nuclear facilities of the other—was taken in December 1985 during Gen Zia's visit here but that could not be finalised, apparently because of differences on technicalities but, in fact, because of the political distance between Mr Gandhi and Gen Zia. Similarly, the cultural agreement, though finalised over three years ago, had been gathering dust in the two foreign offices because of the climate of mutual fear and apprehension.

**New beginning:** Mr Gandhi and the new Pakistani Prime Minister, Ms Benazir Bhutto, were able to make a new beginning—in the areas, in which it was easy to advance—and thus create an atmosphere conducive for tackling bigger and tougher problems.

This strategy had been devised in advance, through discussions at various levels. A Joint Secretary in the

Prime Minister's office, Mr Ronen Sen, was sent to Pakistan before Mr Gandhi's visit for discussion which helped to quantify the first dose of confidence-building measures.

The two Prime Ministers realised their own and the other side's constraints and hence their decision to confine themselves to the breaking of psychological barriers and not to try to move too fast. The new democratic set-up in Pakistan will take time to consolidate itself. This requires India to show finesse and circumspection—it had to safeguard its interest and, at the same time, not to do anything that would render Ms Bhutto vulnerable to attacks by her opponents (some of whom are waiting in the wings to shout "sell-out" while others to pounce on her for failure to produce results).

**Schedule of meetings:** It is in this context that a schedule of meetings, based on a realistic appraisal of the bilateral ties, and intended to give a push to a cooperative bid in the intermediate areas (excluding Kashmir and the nuclear issue) has been thought of. The proposed round will begin with a meeting of the Defence Secretaries of the two Governments next month for resumed discussion on steps to defuse the situation in the Siachen region and end with a session of the long-delayed session of the Joint Commission, along with the sub-commissions, around the middle of the year.

The commission, co-chaired by the External Affairs Minister, Mr P. V. Narasimha Rao, and his Pakistani counterpart, Mr Sahibzada Yakub Khan, is expected to meet in June or July in Islamabad, at the time of the SAARC ministerial meeting.

As regards Siachen, the approach seems to be to delineate the Line of Control and to demilitarise the area. The Joint Commission may take up the trade issue, stalemated because of Pakistan's reluctance to conduct business under a non-discriminatory regime. India's attempts, during the Zia regime to free trade from political considerations did not succeed, even though the list of items (of import and export) was expanded from 41 to around 250.

The powerful lobby of industrialists was able to block advance on the plea that nascent Pakistani ventures will be hit hard because of competition from India. The new Government may not find it easy to neutralise this section but it should not be difficult to break new ground, keeping in mind the economic realities and interests of the two countries.

The time-table also covers proposals for meetings of the Home Secretaries—(to discuss spillover of terrorism)—and of Foreign Secretaries, for steps to strengthen mutual confidence.



**Interview With Natwar Singh**  
46001278 Calcutta THE TELEGRAPH in English  
6 Jan 89 p 10

[Text] Q: This agreement on the joint working group which has been called very important, even historic, how different is it from the official level talks we have been having, particularly considering the fact that the officials or people involved in these talks are actually the same?

A: Before I answer your question, I'd just like to say that we are here in Xian, the ancient and historic capital of China. From here more than 1200 years ago the great Buddhist scholar and pilgrim Huiyen Tsang set forth on his journey to India. He spent 17 years in India and returned with more than 600 manuscripts and books. Pandit Jawaharlal Nehru has written about this journey in very moving and memorable words. This evening Prime Minister Rajiv Gandhi, Shrimati Sonia Gandhi and many of us paid homage to this great pilgrim when we visited his pagoda in Xian which was erected to mark his return from India.

Now to turn to your question, we have been here three days and tomorrow we return to Delhi. It is time for us to make an assessment of what has been happening during the visit. You asked me how the working group which has been set up is different from the one that existed before. You are referring, I presume, to the official level talks—eight rounds. The Prime Minister yesterday in his press conference explained the broad framework in which we are approaching this matter of a mutually acceptable, fair and reasonable solution of the boundary question. The eight rounds of talks—and I led one of the delegations in September 1984 to Beijing—were talks about talks. The climate that was prevailing then, the relations between China and India which had been frozen since 1962 after the conflict, are now, as a consequence of this visit, poised for a transformation and a normalisation. And this working group, which on our side will be led by the foreign secretary and on the Chinese side by the vice-minister, will deal with the question of the boundary in all its aspects to find a solution and make recommendations in this regard.

Q: Now, it has been called a major breakthrough. Is that a justified phrase?

A: You know, I'm rather careful about using catchphrases...(Pause)...I think this visit, as I said earlier, has transformed our relationship. I think it has buried the misunderstandings and suspicions of yesteryear and created the atmosphere or climate for having friendly and good neighbourly relations with China. And its impact is not only bilateral. Its impact will be throughout Asia and throughout the world and it will become a pacesetter. As you know, the discussions between Chairman Deng Xiaoping and Rajiv Gandhi were almost exclusively devoted to the new world order which India has been articulating for the last 40 years.

Q: You have been an ambassador in Pakistan and understand Pakistan very well. You have said this will have an impact on the world. I think I am more interested, and a lot of us are, in what impact it will have on Pakistan.

A: Oh, I think the very fact that the two largest Asian nations, two nations, ancient civilisations, have got together, are now on the road to friendship and cooperation, sends its own message within these two countries, to our neighbours, to our region, to Asia and to the world.

Q: I asked that because there is a certain element within one part of our neighbour, an element within our neighbour in Pakistan, which has used the China card against us.

A: Well, I think that this visit, its outcome, the future that it opens before us, the new horizons of cooperation, peace, friendship, is going to create a new climate, and as I said, that it will in some ways be a worldwide trend-setter along with the Sino-Soviet rapprochement and the improvement of relations between India and China, it becomes a world event. And in this new climate when all the rigidities are disappearing, are being eroded, a new thinking is before us, blocs are crumbling, the theories of deterrence are disappearing and nuclear disarmament is becoming a reality, in that context the importance of this visit cannot be exaggerated and I think that it will have an impact on all our neighbours—and the right kind of impact. I'm not saying that it is going to be in any way anti anybody. I think that it should be welcomed by everyone, that as a consequence of this tensions will be lower in Asia and we'll be talking about peace and cooperation and friendship. And if I may say so, this visit has shown that we have achieved a victory over dogma, over prejudice, over a melancholy and sterile past in favour of a creative, constructive, friendly future.

Q: It has been said that the Chinese have recognised the strength of the democratic system in India. Are they welcoming the arrival of democracy in Pakistan too?

A: Well, they've said so in their different statements. But I really am...you should be addressing this to the Chinese.

Q: The concept of the time frame was specifically mentioned by the Prime Minister in his banquet speech. Do you have a time frame for the solution to the boundary question?

A: Yes, these recommendations will be made within a specified time frame. We would like this working group to meet as early as possible. And I might also mention here that apart from the setting up of this working group, we have also established a joint committee which will

look after trade, economic matters, science, technology and culture. And three agreements were signed earlier this morning. And this is a great change in our relationship.

Q: Yes, but to get back to the time frame, what time frame? Two years, three years, four years?

A: I couldn't give it to you offhand, but we would like to have the first meeting of the working group as soon as possible and, of course, subject to the convenience of our Chinese friends.

Q: How do you think this will ensure the removal of actual tension at the border, particularly at the eastern border?

A: Well, one of the tasks of the working group is going to be the maintenance of peace and tranquility at the border. And, if I'm not mistaken, also to monitor what is happening at the border. And if there are any incidents that occur, then immediately the group shall meet and report to the respective governments. This in itself is something that didn't exist before. And now given the new climate... You will recall that when Chairman Deng Xiao Ping greeted Prime Minister Rajiv Gandhi yesterday, he greeted him as his young friend, and said the visit of the Prime Minister of India to China was a genuine starting point for the improvement of relations between the two countries.

Q: The previous ones have been false starting points?

A: Because there hasn't been a prime ministerial visit to China for 34 years, and no visit from the Chinese side at this level since 1960. And the Prime Minister in his remarks has said that this visit marks a new beginning and this is what it is.

Q: You have been closely involved with Mrs Gandhi's foreign policy also. Could you let us know why Mrs Gandhi could not find the opportunity to come to China?

A: Well, you know, if you look at these things in the historical perspectives, she was very keen to improve relations with China and I think a modest beginning was made in her time. If you recall what she had said in 1969 and 1981, to say that this question had to be settled through negotiations as her father, Pandit Jawaharlal Nehru, had said. If she had lived longer, perhaps she could have come. But the present Prime Minister has been wanting to undertake this visit and this was a time which was convenient to him, a time which was convenient to our Chinese hosts, and the results are, if I may say so, spectacular.

Q: Could I ask if the Chinese have accepted our position, in terms of negotiation, on the boundary by agreeing to talk about it?

A: Well, as I said to you, the Prime Minister in his press conference said it was to be mutually acceptable and fair and reasonable. And I think that in the statement they have put out today they have referred to this.

Q: Yes, but mutual—with the balance on which side?

A: We'll sit down and talk about it. You see, given the necessary goodwill and the necessary political will on both sides, I see no reason why we can't sort this out.

Q: You've been closely involved with all the negotiations. What would you consider to be the highlight of the visit?

A: I think the meeting of the Prime Minister with Mr Deng Xiao Ping. I think it was a very moving, very moving encounter, and the warmth and affection and friendliness with which Chairman Deng Xiao Ping welcomed the Prime Minister will be remembered by all of us who were present there.

Q: A quick last question. Did you expect such a long handshake?

A: (Long pause) I don't know, but it was most welcome.

Q: Thank you, thank you very much.

### Expectations Met

46001278 Bombay THE TIMES OF INDIA in English  
24 Dec 88 p 12

[Text] Set against the backdrop of the strains and tensions that have shaped Sino-Indian relations for a greater part of the past three decades, Mr Rajiv Gandhi's five-day visit to China can be said to have fully met the expectations it had aroused. The Prime Minister reckoned, rightly, that with the international situation in a state of unprecedented flux the very fact of initiating a dialogue with the Chinese leadership at the highest echelons was a legitimate enough reason to undertake the trip. That he chose to ignore the objections to his visit from some academics and politicians, not to speak of sections of the foreign policy establishment itself, is proof enough of his ability to gauge the public mood at home. He embarked on the trip in the conviction that barring a few pockets of resistance here and there public opinion at large no longer entertained xenophobic fears about hauling Sino-Indian relations on a steady course. All the same Mr Gandhi's mission was at once complex and delicate. While he could not afford to be a prisoner of the past he would have run a grave risk had he ignored the past altogether. The wounds inflicted by the Sino-Indian war in 1962 may have healed; but traces of the scars remain. So he tread the path of realism and cautiously-formulated hope. For example, in his frequent references to the upbeat ties between the two countries during the early 'fifties and to the principles of *Panchshila* he took care to avoid the king of "bhai-bhai"

sentimentality that had once warped New Delhi's perceptions of China. The references (also mentioned by China's leaders) served to impart a new, more relaxed and cordial tone to the emerging relationship and to pave the way for some significant agreements.

The most meaningful one, of course, relates to the new framework of consultations envisaged by the two countries to try and reach a negotiated settlement of their border dispute. The emphasis in the joint statement on a "fair and reasonable settlement" which would be "mutually acceptable" makes it quite clear that the discussions on the border question would now be different in tempo and substance than was the case in the past. Alongside, the agreements on cooperation in the fields of science and technology, culture and civil air transport would go some way to build up mutual trust and confidence. Taken together, these agreements do add up to an approach that contrasts singularly with the one the two countries adopted in the past: an approach imbued with pragmatism and a more lucid appraisal of each country's vital interests. Just how confident the two sides feel about the turn their relationship has taken as a result of Mr Gandhi's visit would be obvious from the reference to the five principles of *Panchshila* in the joint statement. These are said to benefit not only the two countries but also that they would "actively contribute to peace and stability in Asia and the world as a whole."

In this context the impact of Mr Gandhi's visit outside the bilateral framework is certain to be watched with interest. The visit may not have produced a "breakthrough"—none was expected—but its outcome would nevertheless contribute to changing perceptions about both the countries. China will now appear more eager than in the past to better balance its relations with the Soviet Union. This prospect is already on the cards with Mr Gorbachov's forthcoming summit with the Chinese leaders. On its part, India will have less reason to view its relations with the outside world in terms of a Washington-Islamabad-Beijing axis. Indeed India's neighbours, too, would now find it more difficult to play a China card as they have done with alacrity so far. A sustained Sino-Indian and Sino-Soviet dialogue might tempt some to brandish the spectre of a "ganging-up" of India, China and the Soviet Union. But any such effort should be seen for what it is: an inability to move away from a world view dominated by rival ideologies and therefore irreconcilable interests. At any rate New Delhi and Beijing, like Moscow and Beijing, still have serious differences on such issues as Afghanistan and Kampuchea. Mr Gandhi's trip to China must therefore be seen as a first but major effort to guide Sino-Indian relations along lines that take fully into account the adjustments that the two countries need to make to adapt to a world order which is no longer dominated by power equations based on East-West rivalries or expansionist ambitions. It is to the credit of the Chinese leadership that they have responded to the Prime Minister in a positive spirit. The relations between India and China can now proceed cautiously but with hope towards full-scale normalisation.

## Communique, Speech Texts From Gandhi Visit to PRC

### Press Conference Statement

46001279 Calcutta THE TELEGRAPH in English  
22 Dec 88 p 7

[Text] Beijing, Dec 21 (PTI): The following is the text of Prime Minister, Rajiv Gandhi's initial remarks at a press conference here today:

My wife, members of my delegation and I have been touched by the warmth, hospitality and consideration shown to us ever since our arrival in Beijing on the 19th December.

I have held extensive and indepth discussions with chairman Deng Xiaoping, President Yang Shangkun and Premier Li Peng. These conversations were marked not only by warmth and cordiality but also by the clear desire of both sides to strengthen our bilateral relations.

We recognise that friendly relations between India and China would make a significant contribution to the promotion of peace and stability in Asia and the world.

I look forward to exchanging views with general secretary Zhao Ziyang later this evening.

We feel that as two large, developing countries in Asia facing similar challenges, India and China should have friendly, good neighbourly relations.

Just over three decades ago, our leaders had jointly authored the five principles of peaceful coexistence. We have agreed that we can and should move ahead in normalising our relations with an abiding commitment to these principles.

My visit to China and the discussions I have held with the Chinese leaders have laid the foundation for a peaceful, stable and cooperative relationship between our two countries.

We have agreed to remain in touch and exchange views on the entire range of issues that we have discussed.

We have also agreed that annual consultations will take place between the foreign ministries of the two countries at the level of foreign secretary/vice-foreign minister.

This will be raised to the level of foreign ministers if there are any issues that require it to be done so. We are, therefore, now set on a course of strengthening and revitalizing relations in diverse fields to our mutual benefit.

While there has been an expansion in our bilateral exchanges in recent years, there is a significant potential for expanding and diversifying our exchanges and cooperation with China.



We both agreed that there is much we can learn from each other, and we intend to do so in the days to come. We have agreed to set up a joint committee at the ministerial level to promote economic, scientific and technological cooperation.

We shall be signing the first-ever science and technology agreement between our two countries, as also an air services agreement tomorrow.

We shall be adding meaningful content and practical steps to implement our cultural agreement in a cultural exchange programme.

Both India and China are agreed that as we strengthen and revitalise our bilateral relations in different fields, we should move ahead purposefully to resolve the boundary question peacefully and through negotiations.

We are also agreed that pending a solution to the boundary question, peace and tranquility should be maintained in the border areas. Our discussions with the Chinese leaders on this issue have been positive and are continuing.

In my discussions with China's leaders, we reviewed regional and international developments.

We agreed that there has been a welcome change in the international environment towards relaxation of tensions. It is, however, important that confrontation and rivalries should be replaced by a firm and universal commitment to the five principles of peaceful coexistence.

My visit has been a turning point in our bilateral relations. We have made a new beginning. I have invited Premier Li Peng to visit India. He has accepted the invitation.

I am most grateful to him for the courtesy and hospitality he has shown me throughout this visit and look forward to reciprocating these when he comes to India.

The excellent arrangements of our Chinese friends made it possible for us to see something of China's culture and development in Beijing. We are looking forward to seeing more when we go to Xian and Shanghai.

**21 Dec Qinghua University Speech (Part I)**  
46001279 Calcutta THE TELEGRAPH in English  
22 Dec 88 p 7

[Text] I am delighted at this opportunity to visit this renowned university. It is a symbol of what modern China has achieved, a symbol of the Chinese pursuit of excellence.

Thirty four years ago, my grandfather, Jawaharlal Nehru, came to China as a messenger of peace and goodwill and found here a spirit of both peace and goodwill. Between India and China that spirit is now being rekindled.

The coming together of India and China in the early Fifties was a development of historical international importance. Not only did it presage friendship between the two most populous nations of the world, counting between them a third of all humankind, it represented what was for the time an almost unique example of two great nations, with two totally different economic and social systems, coming together to give a practical demonstration of peaceful coexistence among different systems. Placed in the context of the epochal change brought about in the world by the independence of India and the liberation of China, among the most important events of the mid-point of the twentieth century, the friendship which Jawaharlal Nehru sought with China was a friendship that could fundamentally affect the destiny of humankind.

Apart from the immense potential for world peace and cooperation implicit in peace and cooperation between India and China, there was also the imperative of facing together the common problems with which both countries were confronted. We were both ancient civilisations, with memories going back into the deepest recesses of the distant past, who had undergone a prolonged period of national trauma caused by the strangling of our freedoms, the parcelling out of our economies, the stultification of our social and moral progress. We both saw the liberation of our nations not so much as the culmination of a struggle but as the beginning of an opportunity to serve our people, built our economies, transform our societies and take our countries forward.

Through the period of our struggle for freedom and your struggle for liberation, India and China viewed developments in each other's countries with deep sympathy and understanding. Our great national poet, Rabindranath Tagore, started a China Bhavan (the House of China) at his universal university, Viswa Bharati, at Santiniketan, of which I now have the honour to be chancellor. Our involvement in your liberation struggle found expression in the immortal mission which Dr Kotnis led to China. Jawaharlal Nehru envisaged friendship between India and China as a major pillar of the post-colonial world order.

India and China worked together for peace in Asia and the world when they first emerged from the thralldom of imperialism. Together we saw that the world order was vitiated by confrontation, by a lack of respect for the sovereign equality of nations, by intolerance of alternative national systems for the organisation of political, economic and social life. We saw that our newly won independence would be secure only in a world which had liberated itself from the assumptions and prejudices of the past.

A striking example of the persistence of past prejudice was the refusal to recognise the People's Republic of China, the culmination of the great revolution which had swept China. India was among the first to recognise the great and welcome change that had burst upon your country.

Those who refused to recognise that the China of the Opium Wars had been consigned to the pages of history began menacing the new China from different directions and in different ways. Through this period of tribulation, India stood by China.

Another manifestation of the persistence of the old ways into the new era was the attempt which was made to restore the colonialisms that had crumbled during the Second World War. The attempt was doomed, but not before hundreds of thousands had perished in this dangerously reactionary endeavour. The agony was most long drawn out in Indo-China. India and China, representing the resurgent voice of resurgent Asia, worked towards ending colonialism everywhere, taking the world from under the shadow of the past into the sunlight of the new era.

Together, India and China articulated a new philosophy summed up in the Panchsheel, the five principles of peaceful coexistence: respect for territorial integrity and sovereignty; non-aggression; non-interference; equality and mutual benefit; and peaceful coexistence.

There have been many momentous events in the three-and-a-half decades that have gone by since we jointly adopted these principles. We have had serious differences among ourselves, leading at one stage even to armed conflict. We have not always been of one view on international issues.

In contrast to the warmth of our friendship and a shared sense of purpose which marked our joint endeavours in the early years, the last 30 years or so have been a period of estrangement. Contacts between us have been sharply reduced. Information about each other has become the preserve of scholars instead of being the knowledge of people. A sense of persisting differences prevailed over the early sense of common perceptions and common goals. Despite this, India and China held similar views on a number of matters of international importance and India continued to support China on such crucial issues as the restoration to China of its rightful place in the United Nations system.

We have seen vast progress in each of our countries. Where once there was a China of famines and shortages, now there is a China self-reliant in feeding its people. Where once there was a China with but nascent industry, now there is a China looking with confidence and conviction towards becoming one of the world's major

economic powers in the twenty first century. At one time, China suffered from low levels of literacy, backward-looking social practices and rapid population growth.

Now there is a China respected the world over for what it has achieved in giving education to its people, promoting social progress in different spheres of human endeavour, and making a remarkable effort at population planning.

India, too, has undergone a major structural transformation. We, too, have overcome our vulnerability to famines and food shortages and are now self-sufficient in foodgrains production. Our industry has developed from its earlier fledgling stage. Today, we have a broad industrial base with a highly diversified industrial structure. In education, we have steadily increased our literacy rates and we aim at universal elementary education by the beginning of the next decade. Social progress has been evident in such areas as the removal of untouchability, affirmative action in favour of disadvantaged sections of society, education for girls and the integration of women into the mainstream of the nation's progress.

Both our countries have given high priority to the development of science and technology. Your achievements in space are truly remarkable and justly admired. You are doing important work in frontier areas of superconductivity, medicine and biotechnology. We in India are also working in these areas. We are among the few countries which have developed remote sensing satellite technology for the management of natural resources. We have made useful advances in many areas of industrial and defence electronics and material sciences. In telecommunications, we have developed our own digital switch system. Both of us have significant capabilities in the field of software development including work in the most sophisticated areas. There are possibilities of India and China undertaking joint research in critical areas of electronics.

While there is comparability and complementarity between what we have achieved it is interesting that we have achieved what we have in ways that are remarkably different one to the other.

The three pillars of India's modern nationhood are parliamentary democracy, secularism and socialism.

We have a multiplicity of political parties and elected legislatures at the Central and state levels, in addition to elected local bodies. Governments are formed by the party of combination of parties constituting a majority in the legislature and are, in turn, responsible to the legislature. At periodic intervals, normally of five years, the electorate renews or changes its mandate. Our system allows for different parties to come to power at different levels at different times. It also allows for different parties to rule at the Centre and in the states and in the

local bodies at the same time. Equal rights are guaranteed by our Constitution and assured by our democratic process to all minorities, religious, ethnic, linguistic. Our judiciary is independent of the executive. Our press is free to report, comment and criticise. We believe that freedom of expression and the free exchange of views are not only intrinsically valuable but have also promoted stability in our society by furnishing safety valves which forestall social and economic pressures before these trigger off an explosion. Democracy has enabled us to maintain a steady course through four decades of rapid change.

The second pillar of our state is secularism. It is a word with different connotations in different languages. We mean by secularism that the state in India does not interfere in the religious practices of its citizens, nor does it encourage the mixing of religion with politics. The state has no religion. At the same time, our state respects the religious sensibilities of our people, values the spiritual and cultural strength which religion imparts, and ensures full freedom of worship and propagation for all religions. Nearly 20 percent of our population belongs to various religious minorities, the largest of these being the Muslims. All our religious groupings have a high and honoured place in our society, with the assurance that no section of our people will be discriminated against on grounds of religion. Special programmes have been put in place to assist minorities in need of special assistance.

Socialism in India is indigenous to our experience and our conditions. It is not a dogma. It is responsive to changing circumstances. It has had the resilience to develop with time. The focus of our socialism is the uplift of the poor, succour to the weak, justice to the oppressed and balanced regional development. To attain these ends, we believe the state must control the commanding heights of the economy, and that self-reliance should be the first principle of development. We stress that the pattern of progress must be so designed as to give all parts of the country equitable opportunities of growth and all sections of our people an equitable share of the fruits of development. Our emphasis on balanced regional growth and our accent on the reduction of social disparities have meant leavening the imperatives of growth with considerations of equity. Our socialism sees the thrust of the development effort as growth with social justice.

Our development strategy is one of planning for a mixed economy. The state sector is predominant in core and heavy industry and also in much of infrastructure, but most of light industry and all of agriculture is in the private sector. Our development objective is the modernisation and transformation of our economy with an overriding priority to the elimination of poverty. Planning in a democratic framework necessarily places great importance on evolving a consensus on goals and instruments. At times, this imposes constraints in the larger interest of democratic consensus and participation.

This strategy has served us well. We have succeeded in setting our economy on an accelerating growth path. Agricultural productivity and production have increased steadily and the vulnerability of agriculture to the weather has been reduced. Industry is now growing rapidly. We hope to accelerate our growth further in the next decade. Foodgrains output will be doubled over the next 10 to 15 years. Our perspective plan envisages the eradication of poverty and employment by the end of the century.

But many problems remain. Our rate of growth of population remains too high. While impressive increases in foodgrains production have been recorded in many parts of our country the task ahead is that of spreading this green revolution to new areas and to new crops. We have to diversify agriculture and promote greater value addition. We have to make our industry more efficient and competitive, with better products and higher quality. We believe that much sharper domestic competition is necessary to ensure this. It is also necessary, progressively, to open up our industry to the pressures of international competition.

To tackle these problems, we in India have taken, as you in China have done, new steps and new initiatives in economic policy, while remaining true to our basic principles. We have embarked on a process of planned liberalisation giving much greater autonomy to our public sector enterprises and greater flexibility to our private sector to invest, expand and upgrade technology. Indian industry has reached a stage where it must increasingly integrate with the world economy in terms of technology, quality and cost competitiveness. We are encouraging foreign investment where it can help our efforts to modernise. We are also trying to decentralise planning and decision-making to secure better results. This is especially important for our strategies of rural development. A key element of this strategy is increasing people's participation in the planning process.

In this context, your own bold experiments in economic reform are of special interest to us. They have already produced rich dividends for China. We believe we have much to learn from your experience. Some of what we are doing in India may also be of interest to you. No two developing countries are more similarly placed than yours and ours. Despite differences in philosophies of planning and methods of management, India and China can give and take a great deal from each other. We believe you share this view.

I represent a new generation in India. I was but a boy in the hey-day of Sino-Indian friendship. I was still a young man when differences were converted into conflict. I have grown in a world which has not benefited but only been disadvantaged by estrangement between India and China. I have come to office with the firm conviction that, between ourselves, we must make a new beginning. I am heartened that the Chinese leadership is more than



prepared to put behind us past rancour and past prejudices. I am heartened that we are both prepared not to be mired in the past. As we enter the last decade of this century, India and China are called upon to look forward, not behind, to reach out to new horizons, to seek new vistas of friendship and cooperation, to explore new paths of benefit to each other and of benefit to the world.

I do not believe our joint advocacy of peaceful coexistence was either a coincidence or an accident of history. It arose out of certain perceptions which had grown out of our historical experience. I would like to dwell a little on this.

The distinguishing characteristic of the civilisations of India and China is not so much their antiquity as their continuity. Nevertheless, specific interactions between our civilisations have not been continuous despite the thousands of years that our respective civilisations have run a parallel course of continuity. The exchanges were, perhaps, at their most intense during the period of the three kingdoms in China when there was much trade and travel between India and China, when Indian art influenced Chinese art, when the artefacts and products and technology of China came to India. For centuries, Indian ports were a regular point of call for Chinese ships. The prosperity of the Chola empire in southern India was largely based on their trade with China. Till today, the fishing nets of Kerala, on the southwest coast of India, are called Chinese nets and designed on the Chinese pattern. This phase in our mutual exchanges was bracketed by the accounts left behind by two of the greatest Chinese travellers to India: Fa Xian in the fourth century AD who visited our university at Nalanda, which housed a large Chinese community, and Xuan Zang in the seventh century AD, who was a guest at the court of our last great Buddhist emperor, Harshavardhana.

It was the message of the Buddha that led to an awakening of awareness and an intensification of exchanges between our two great civilisations. It has given us insights into the human condition which are more profound and long-lasting than would be indicated by a mere cataloguing of when Bodhidharma sailed to Canton or Yi Qing came to India. Drawing on these insights, Jawaharlal Nehru declared here in Beijing thirty-four years ago. "Fear and hatred and violence have darkened man's horizon for many years. Violence breeds violence, hatred degrades and stultifies. And fear is a bad companion."

It is, perhaps, such insights which enabled our two contemporary systems, so different from one another, to formulate common principles for the sustenance of the new world order which, together, we sought.

Another characteristic of our civilisations which perhaps led us towards the concept of peaceful coexistence was our millennial experience of synthesis. It helped us

recognise that the modern world demanded understanding and respect for the diversity of political and economic systems the world over. While others sought to impose uniformity by persuasion or force, India and China spoke up for coexistence among different social and economic systems. It was an affirmation made by two ancient civilisations, now turned into two modern states, but following very different social and economic systems.

I am conscious of the fact that, although India and China were the artefacts of the five principles of peaceful coexistence, our own relations have not always conformed to these principles. We have had differences of perception and differences of opinion. Yet, what must not be forgotten in a listing of differences is a listing of commonalities in our world outlook.

21 Dec Qinghua University Speech (Part II) -  
46001279 Calcutta THE TELEGRAPH in English  
23 Dec 88 p 7

[Text] There has been significant parallelism in the views expressed by India and China on a wide range of issues relating to world security, the international political order, the new international economic order, global concerns in regard to the environment and space, matters of momentous significance such as the law of the sea and the Antarctic treaty, information and communication, culture and art.

There are and have been differences but, considering the fact that India is a member of the non-aligned movement and China is not, that India is a member of the Group of 77 and China is not, that India is not a nuclear weapon power and China is, it is significant that there is such a wide area of commonality between our points of view and so much scope for further dialogue for the attainment of shared objectives.

Now, as the spirit of the mid-Fifties is rekindled, the time has come to end our estrangement and make a new beginning. We must find an acceptable solution to the border question within a realistic time-frame. This can be achieved in an atmosphere of mutual understanding and mutual confidence. The border issue is a complex one, touching as it does upon the emotions and sentiments of our people. These aspects have salience in China too. We need patience, wisdom and statesmanship to resolve the issue to the mutual benefit of our peoples. The core of any solution that may emerge is mutual acceptability. We should jointly endeavour to find such a solution in order to put relations between India and China on a solid basis. We are determined to move in this direction. It is important that while we search for a solution, peace and tranquility are maintained in the border areas. I have every hope that during this visit we will, together with our Chinese friends, build a better political climate for the solution of the border issue.

Cooperation between India and China should be expanded significantly. Trade between us is far below the potential of our economies. Cooperation in science and technology is still to take off. I believe that economic, scientific, technological and cultural cooperation between the two countries will greatly contribute to better understanding between our peoples and our governments, and will indirectly help us in solving complex problems.

We are at an important conjuncture in world affairs. There is a palpable relaxation of tensions and evidence of dialogue replacing confrontation.

The people of Namibia are at long last on the verge of securing their freedom. Their struggle for independence has been a saga of courage and dignity. However, in South Africa, the abomination of apartheid persists. We demand comprehensive, mandatory sanctions against Pretoria under chapter VII of the United Nations Charter, failing which we apprehend an unprecedented blood-bath in the struggle to end this iniquity.

There has been a radical turn of events in West Asia. A Palestinian state has been proclaimed. It has been recognised by both China and India and other peace-loving countries the world over. We are glad that dialogue has begun between the United States and the Palestine Liberation Organisation. We extend our wholehearted support to the three-point Palestinian peace initiative put forward by our brother, Chairman Yasser Arafat. The spirit of tolerance which he has evoked is in keeping with the traditions of Asia and the aspirations of our continent.

In Kampuchea, a solution appears to be emerging which could both end the conflict and forestall the resurgence of the forces of genocide. We would welcome cooperation among all concerned in fostering a just and equitable settlement in Kampuchea which will ensure the independence, sovereignty and nonaligned status of that country, free of outside interference and intervention.

In South Asia, a new dawn is breaking. South Asian regional cooperation has made a good beginning. Recent changes in Pakistan, with the emergence of a democratically elected government led by Prime Minister Benazir Bhutto, have opened up encouraging prospects for enduring friendship and goodwill between our countries, reflecting the natural affinities and affection which the people of India and Pakistan have for each other. In Sri Lanka, the accord which I signed with President Jayewardene guarantees the unity and territorial integrity of that country and has brought respect, recognition and a meaningful devolution of powers to the Tamil minority. In the Maldives, our immediate response to the call for assistance from a friendly neighbour in his hour of need has ensured the triumph of the democratic will of the people of the Maldives against the forces of subversion and destabilisation. In Afghanistan, we are persuaded that strict respect for the Geneva accords will lead to the

emergence of a government based on national consensus, which can ensure the independence, integrity and non-aligned status of the country, provided only there is a complete cessation of all outside interference and intervention in the affairs of that country.

At this crucial turning point in contemporary history, we must assess afresh the work that India and China can do, individually and together, in fashioning the new world order which is emerging from the chrysalis of the old.

The two major nuclear weapon powers have agreed in principle that a nuclear war cannot be won and must not be fought. Mahatma Gandhi and Jawaharlal Nehru recognised this in 1945, in the immediate aftermath of Hiroshima and Nagasaki. It augurs well for the future of our world that this perception has now gained wider currency. We are encouraged that this principle has received practical expression in the form of a dismantling of intermediate nuclear forces and the initiation of a process designed to secure strategic arms cuts.

The moot question before us is whether these first-ever steps of nuclear disarmament presage movement towards the elimination of all nuclear weapons. Or do these steps merely presage a marginal adjustment in global strategic deployment, perhaps even the shifting of the nuclear arms race into new and ever more dangerous dimensions?

In answering these questions, the task before us is not just to wait upon events but to influence them. India and China can together do a great deal to ensure that the moves which have now been initiated proceed in the only direction which promises sustained peace and sustainable development. To this end, our first step must be to resuscitate and revitalise our decades-old commitment to the five principles of peaceful coexistence.

There are two basic arguments which sustain nuclear weapons. The first is that as, such weapons have been invented, they cannot now be disinvented. The second is the doctrine of deterrence which holds that it is only your capacity to destroy your opponent which forestalls your opponent from destroying you.

The danger of universal destruction through the use of nuclear weapons arises not so much from the fact of their invention as from an international system which concedes their need and legitimises their possession and use. It is the old order which resulted in the invention of these terrible weapons. We cannot disinvent these weapons but we can certainly alter the world order which has given them legitimacy and tolerated their continued existence.

As regards the doctrines of deterrence, they have not worked in the past because the balance of power is an inherently unstable balance, which all the parties concerned are all the time attempting to upset in their favour and to the disadvantage of others. For deterrence

to be credible, there must be commitment to the use of the instruments of deterrence. But, in the era of nuclear weapons, the use of such weapons will only lead to global holocaust.

Therefore, nuclear disarmament requires not only the dismantling of nuclear weapons but, even more importantly, the dismantling of the mentalities which go with these weapons. We need to evolve generally accepted principles of international security to replace doctrines of deterrence. We need to evolve systems of conflict-resolution which forestall the resort to arms. We need to promote thinking about the world order required to sustain a world beyond nuclear weapons. Advance thinking on these matters is essential. Otherwise, even after nuclear weapons are eliminated, the danger will remain of the world slipping back into the nuclear arms race. That alternative process of thinking could best commence from the five principles of peaceful coexistence which India and China were the first to enunciate.

The alternative process of thinking cannot limit itself to security and the international political order. It must embrace economics, the environment, space and our common heritage. As developing countries, India and China share common concerns about the functioning of the international economic order. The world economy continues to be characterised by inadequacies and imbalances which hamper development in the developing countries. India and China have been hurt much less than many other developing countries but neither of us can afford to be complacent. Both in the area of international finance and in the area of trade, there are disturbing trends which weaken established multilateral institutions and mechanisms. The world pays lip service to interdependence and cooperation but commitment to these concepts in practice is less evident. These trends are dangerous for the north as well as the south. We must reconstruct a consensus on international economic cooperation. We believe that India and China can work together in international forums to bring about a new international economic order, based on a recognition of global interdependence. Without this, the new international political order would be of little comfort, difficult to attain and impossible to sustain.

In the last decade, political and economic changes have been leading to the emergence of a multipolar world. The European community seems to be firmly set on establishing an integrated European economy by 1992, though unresolved questions still remain. Japan has emerged as a major economic centre whose decisions influence the rest of the world. The inherent strength and vitality of the American economy, and especially their advanced technology, remain crucial to the international economy. The Soviet Union is restructuring its economy with profound global implications. How these power centres will act and react on each other and how they will impact on the developing world are matters for serious analysis. The intertwining of economic power and military strength could create new security concerns. It is all

the more important then that we actively work for a new international order where questions of peace and security are settled through nonviolent means.

Another area of international action in which fruitful cooperation between India and China is indicated could be in regard to the environment. We have both suffered the consequences of environmental degradation. We have both worked on programmes designed to make conservation an integral part of the development process. We have both recognised that the cost of preserving the environment is an essential component of the costs of development because, if these costs are not recognised and paid for now degradation will exact a much higher price than conservation. There is much work we can do together, many lessons we can learn from each other, and something we can add to the world's repository of knowledge by conscious cooperation in the interests of sustainable development.

We are both committed to the peaceful uses of outer space. We have both protested against attempts to misuse space for military applications. We both believe that nothing could be more dangerous than the shifting of the nuclear arms race into this new dimension. We are also both concerned at space being converted into a garbage dump for the technology experiments of the advanced economies. Like the seas and the seabed, space too is a common heritage of mankind. It is a heritage which all of us must work together to preserve.

Between us, we are the repositories of some of the most significant treasures of the human inheritance. We believe in international cooperation to preserve and promote the cultural heritage of humankind. When Unesco came under siege, India and China were together on the same side in defending the organisation and asserting its vital role.

Now that the world is beginning to explore the possibility of coexistence in preference to deterrence, of cooperation in preference to rivalry, of interdependence in preference to beggaring the neighbour, of nuclear disarmament in preference to nuclear escalation, it behoves the original advocates of the Panchsheel—India and China—to set themselves up as an example to the world.

I see optimism in both India and China today: optimism about the progress our countries can make, optimism about realising our goals of development, optimism about the levels of cooperation we can reach, optimism about the work we can do together to restore our countries to their traditional position in the vanguard of human civilisation, optimism about the contribution we can make to rebuilding the world order nearer our hearts' desire.

We are summoned by our past to the tasks which the future holds. We have a mutual obligation to a common humanity. India and China can together give the world new perspectives on a new world order, which will



ensure peace among nations and justice among peoples, equity for each and prosperity for all, freedom from fear and freedom from want, a world where we live together in happiness and harmony.

Thank you.

#### Text of Communique

46001279 Calcutta *THE STATESMAN* in English  
24 Dec 88 p 16

[Text] Shanghai, Dec 23—The following is the text of India-China joint Press communique:

"At the invitation of Premier Li Peng of the State Council of the People's Republic of China, Prime Minister Rajiv Gandhi of the Republic of India made an official goodwill visit to the People's Republic of China from 19th to 23rd December, 1988. Accompanying his excellency Prime Minister Rajiv Gandhi on his visit to China were Mrs Sonia Gandhi, Mr Narasimha Rao, Minister of External Affairs of India, Mr Dinesh Singh, Minister of Commerce, Mr B. Shankaranand, Minister of Law and Justice and Water Resources, Mr K. Natwar Singh, Minister of State for External Affairs and other Indian officials.

Premier Li Peng and Prime Minister Rajiv Gandhi held talks in an atmosphere of friendship, candidness and mutual understanding. President Yang Shangkun of the People's Republic of China, General Secretary, Zhao Ziyang of the Central Committee of the Communist Party of China (CPC) and Chairman Deng Xiaoping of the Military Commission of the CPC Central Committee had separate meeting with Prime Minister Rajiv Gandhi during his visit. The two Governments signed the agreement on cooperation in the field of science and technology, the agreement relating to civil air transport, and the executive programme for cultural cooperation.

Both the Premier and the Prime Minister were present at the signing ceremony. Prime Minister Rajiv Gandhi, Mrs Gandhi and their party also toured historical sites and scenic spots in Beijing, Xian and Shanghai.

During their talks and meetings, the leaders of the two countries had a wide exchange of views and ideas on bilateral relations and international issues of mutual interest. Both sides found such talks and meetings useful as they enhanced mutual understanding in the interest of further improvement and development of bilateral relations. The two sides made a positive appraisal of the cooperation and exchanges in recent years in trade, culture, science and technology, civil aviation and other fields, and expressed satisfaction with the relevant agreements reached between the two countries. They emphasized the vast scope that existed for learning from each other.

They emphasized that the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence, which were jointly initiated by India and China, which have proved full of vitality through the test of history, constitute the basic guiding principles for good relations between States. These principles also constitute basic guidelines for the establishment of a new international political order and the new international economic order. Both sides agreed that their common desire was to restore, improve and develop India-China good-neighbourly and friendly relations of the basis of these principles. This not only conforms to the fundamental interests of the two peoples, but will actively contribute to peace and stability in Asia and the world as a whole. The two sides reaffirmed that they would make efforts to further their friendly relations.

The leaders of the two countries held earnest, indepth discussions on the India-China boundary question and agreed to settle this question through peaceful and friendly consultations. They also agreed to develop their relations actively in other fields and work hard to create a favourable climate and conditions for a fair and reasonable settlement of the boundary question while seeking a mutually acceptable solution to this question.

#### Joint Groups

In this context, concrete steps will be taken, such as establishing a joint working group on the boundary question and a joint group on economic relations and trade and science and technology.

The Chinese side expressed concern over anti-China activities by some Tibetan elements in India. The Indian side reiterated the longstanding and consistent policy of the Government of India that Tibet is an autonomous region of China and that anti-China political activities by Tibetan elements are not permitted on Indian soil.

With regard to the international situation, the two sides held that in the present-day world, confrontation was giving way to dialogue and tension to relaxation. This is a trend resulting from long years of unswerving struggle by the peace-loving countries, and people of the world against power politics. It is conducive to world peace and to the settlement of regional problems. It also facilitates the efforts of all countries, the developing countries in particular, to develop their national economies. India and China will make their own contributions to the maintenance of world peace, promotion of complete disarmament and attainment of common progress.

His excellency Prime Minister Rajiv Gandhi, Mrs Sonia Gandhi and their party expressed heartfelt thanks to the Government and people of the People's Republic of China for the warm and friendly hospitality accorded to them.

Prime Minister Rajiv Gandhi has invited Premier Li Peng to visit the Republic of India at his convenience. Premier Li Peng has accepted the invitation with pleasure. The date of the visit will be decided upon through diplomatic channels".

### 'Secret' Paper Presented at CPI-M Closed Session

#### Party Growth Assessed

46001252 New Delhi PATRIOT in English 4 Jan 89 p 5

[Article by G. Prabhakaran: "CPI-M: No Reflection of Mass Upsurge in Membership"]

[Text] Trivandrum, Jan 3—In a "secret" document, the CPI-M has made an assessment of the strength and weaknesses of the party and its mass organisations. The report sums up the party's growth over the years.

In a self critical analysis, the report says that "the increase in the membership of the (CPI-M) mass organisations has not kept pace with the movements and struggles led by the party". The increase in the membership of the party, the circulation of the party journals and publications and other forms of consolidating the developing mass movement have all lagged behind the mass upsurge, the report says.

The 116-page report titled "The political and organisational report" also says that "the gap between the traditional strong and the new areas in the party is wider still, though there have been increases in both". Even in the areas of the traditional mass support of the party such as West Bengal, Tripura and Kerala, the Left, even though it has become the major force, has not yet become the unchallenged political force, the report says.

Judged by the voting figures, the Left Democratic Front was below 50 percent in Kerala, while in West Bengal and Tripura the Left Front covered around 50 percent.

On the trade union front, the report sums up that "the first problem which has been thrown up by the growth of the party during the period between the two Party Congresses is the comparatively low rate of growth in the membership of the trade unions and the agricultural workers organisations. While mass organisations like the Kisan Sabha and the Youth Federation increased its membership by 360 percent and 273 percent, respectively, the growth of the Centre of Indian Trade Union (CITU) is only 60 percent and the agricultural workers 58 percent. However, the report says, "The capacity to organise and lead the working class in struggles has not been and is not being reflected in the membership of the CITU, and in the consciousness of the trade union leadership at various levels to file the annual return of membership promptly".

The report further says "Our party cannot develop itself into the revolutionary mass party of the working class unless this weakness is overcome".

Dealing with the mass organisations, the report says that the democratic functioning of the committees and general bodies of the mass organisations at various levels is not encouraged; the party committee at corresponding levels often takes decisions in the name of the mass organisations. "This has become an inborn habit of many of the comrades who lead these mass organisations", the report says.

Dealing with the youth organisation, the report says: "The youthful influx poses certain problems arising out of the relative political immaturity and alien class ideology of those who join the party".

The report on the youth front says: "Though there is a rapid expansion in terms of membership, an important weakness is the unevenness of this growth. Five States account for 93 percent of the membership, whereas the Hindi heartland, including Gujarat Maharashtra and Punjab which have 50 percent of the youth population of the country, contribute only five percent of the membership".

The report on the women's front also points out the weakness of Front. With the exception of Delhi, the increased activity and struggles in the Hindi-speaking States is not reflected in either the membership of organisation, which is only 23,000. The development of the women's organisation in Hindi States suffers because of the backward social conditions and the insufficient attention paid by the respective party committees to properly tackle the problems of developing the women's mass organisation, the report says.

The report, while stressing the need to rely on the current political line, says: "State, district and local committees have to resist the temptation of orienting themselves to narrow and purely parochial considerations, addressing themselves to the task of carrying out the all-India political line of the party on international and national issues.

On the implementation of the decision of the Salkia Plenum of 1978, the report says that the Salkia Document had emphasised the importance of regular reporting from top to bottom and vice-versa on the basis of which alone an efficient party of the working class can function and discharge its responsibilities. Although there has been some improvement, the position is far from what it should be, the report says.

On the analysis of the female members of the party, the report says that the increase in women membership in the party has showed only a slight increase. In West Bengal there are over 6,000 women party members, which works out only four percent of the total membership. Kerala has over 5,000 women party members, which is only three percent of the total membership. "The percentage of women comrades who are taken into leading positions in the party committee is very low, even though it is slowly rising", the report says.

The report on the class composition of the working class in the party also says that "at present, the working class compositions in terms of the industrial proletariat and the agricultural labourers is weak". It also says that "the small proportion of the working people from the Muslim community joining the party indicates a serious weakness. It is to be understood that the bulk of the Muslims in the north and other States comes from the poorest sections, the artisans, etc. They constitute an important section of the working class. Social barriers and religious prejudices prevent their entry into the mass movement.

The report also says: While the strong areas have substantially increased, the circulation of party journals in new areas is lagging behind. The Hindi Lok Lahar published by the party centre has a stagnant rate of circulation, while the Urdu Lok Lahar had to be stopped. Circulation of other language papers in the new areas is also not picking up".

The report says that the circulation of PEOPLES' DEMOCRACY has only increased from 15,000 to 17,000 in the last three years. The Hindi journal, Lok Lahar, has the largest circulation in West Bengal, but in Hindi-speaking States it has a disappointing record, States like Bihar and Uttar Pradesh having registered a slight fall in circulation.

#### **Communist Unity Advocated**

46001252 New Delhi PATRIOT in English 5 Jan 89 p 5

[Article by G. Prabhakaran: "Communist Parties Cannot Be "Guided From One Centre"]

[Text] Trivandrum, Dec 4—The internal document discussed at the 13th CPI-M Congress which concluded here on Sunday, claims that the national units of the communist movement have grown up and are capable of tackling their problems on their own and that they cannot be guided from one centre. The organisational report, however, warns that "the independence and quality" of different parties does not mean their independence from the fundamental ideology of scientific socialism.

The report feels that sharp differences in the communist movement were partly due to a different concrete situation faced by several parties and partly to certain lapses of ideological perception and adherence.

The CPI-M report affirms that it would continue to struggle for the unity of the communist movement based on the principles of proletarian internationalism and Marxism-Leninism.

The report says that the growing unity of the international communist movement and the improvement of relations between the Soviet Union and China were important developments in the international sphere in the recent times. This unity has "strengthened the forces

of peace" and "enhanced the role of the internal communist movement. Bilateral discussions are held among communist parties to come to a common understanding of the complicated world situation and concrete grounds for strengthening communist unity. These developments "create the ground for strengthening communist unity" the report says. It, however, cautions that unity should be based on the fundamental principles of Marxism-Leninism that alone can enable the communist parties to discharge their national and international responsibilities.

"Undoubtedly the new relationship between the Communist Parties, which is being talked about, is based on the recognition of various communist parties' non-interferences in each other's affairs and equality with no party enjoying the monopoly of truth.

The document criticises "some communist parties and socialist countries" for underestimating the importance of people's struggle in Third World countries and for concentrating their attention "only on the ruling governments" this tendency "compromises the position of socialist countries and world communist movement in the eyes of the people which does great harm to the anti-imperialist struggle of the people of these countries" the report says.

Though the report underlines the need to get the support of the governments of the newly liberated countries for world peace, it requests the world communist movement "realise that only the strengthening of the working class and the democratic movement in these countries can guarantee success of the struggle against imperialism". It stresses the need for the communist movement to express solidarity with the working class and other toiling people's struggles in their countries in defence of their interests and for social advance.

#### **No Compromise With Communal Forces**

46001252 New Delhi PATRIOT in English 6 Jan 89 p 5

[Text] Trivandrum, Dec 5—The political-organisational report discussed at the closed door session of the 13th party congress of the CPI-M which ended here on Sunday, emphatically declares that political parties like the Bharatiya Janata Party and RSS cannot be considered as allies in any democratic movement to oust the Congress at the Centre. The party feels that these organisations while mouthing nationalist slogans, are carrying on a line of hatred and animosity against the Muslim community. The report says that the party's fight for national unity and for carrying out its anti-feudal responsibilities demands that no quarter should be given to reactionary forces for opportunist electoral considerations. The CPI-M, which considers the electoral struggle itself as part of the class struggle to change the balance of class forces, cannot take an opportunist attitude. It is because of this that the party has been trying to impress upon the secular opposition parties in need to avoid an



alliance with communal parties in the fight against Congress. Consistent and militant national unity cannot be forged on the basis of a compromise with communal and feudal forces.

The document feels that the failure of the secular bourgeois opposition parties to mobilise the discontent of the people against the anti-people policies of the Rajiv Gandhi Government is weakening the democratic movement in the country. The report has criticised the AGP, a National Front constituent, for its anti-minority and anti-tribal policy in Assam.

Dealing with the role of the Left Democratic Front government in Kerala and Left Front government in West Bengal, the report admits that these governments could take only limited measures to meet the aspirations of the people who elected them. This is due to the policies pursued by the Central Government.

The report calls upon the party units to educate the people not only on the limitations under which these governments have to work but also on the hostile attitude of the Central Government to these governments. The report also called for defending of other non-Congress state governments against the attack of the Central Government and the Congress.

It warns that working in the governments and the atmosphere of parliamentarism is likely to corrode the revolutionary consciousness of and corrupt party members. The party and the fighting organisation of the working class should never be subordinate to the government and the legislature, it warns. In fact, the government should be subordinated to the party and the mass organisations.

The report, while expressing happiness over the growing unity of the left forces, feel that certain developments in the relations between the left parties are causing concern. In the panchayat elections in West Bengal, despite the best efforts of the CPI-M the Forward Bloc and the RSP took their differences of opinion to the public and made slanderous accusations against party.

The report is also highly critical of the Communist Party of India's stand in Andhra Pradesh against the Telugu Desam Government and its support to the AGP government in Assam. The CPI unit in Andhra has adopted a posture of outright opposition to the TDP to the extent of refusing any united action with it on national issues. The CPI has formed a so-called third front in Andhra Pradesh, thereby helping the Congress. This stand of the Andhra CPI goes against the all-India understanding of that party of uniting with the secular opposition parties in united struggles against the Rajiv Gandhi Government. In Andhra Pradesh the CPI continues to slander our party, and there have been instances of murderous attacks on our cadres.

Yet, the CPI national leadership refuses to intervene and rectify the situation.

The report also calls for a review of the party's understanding regarding ethnic and tribal problems like the Gorkhaland agitation in West Bengal. It says that the recent election results in Darjeeling show that the call in the name of ethnic identity has exercised a powerful appeal over the people though they had been prevailed upon to give up secessionist demands.

#### **Namboodiripad Holds Press Conference in Trivandrum**

46001254 Madras THE HINDU in English 5 Jan 89 p 7

[Text] Trivandrum, Jan 4. The CPI(M) General Secretary, Mr E.M.S. Namboodiripad, has taken serious exception to the Janata Dal leader, Mr V.P. Singh's recent observations on "India-China relations" and said his "thoroughly unintelligent utterances" meant presenting the Prime Minister, Mr Rajiv Gandhi "with a stick to beat the Opposition with."

Mr Namboodiripad, who was talking to presspersons here today, observed that on the relationship between his party and the Janata Dal and the National Front "we have definite ideas and policies."

'Conflict of ideas': He said that within the Janata Dal and the National Front there were different views on the relationship with BJP, foreign policy, etc. It was true that the Haryana Chief Minister, Mr Devi Lal, spoke of alliances with the BJP and others. Whether Mr Devi Lal's plans would work or not was a different matter. But there were quite a few leaders and workers in the Janata Dal as well as the National Front who did not agree with Mr Devi Lal and the others. "Let something come out of this conflict of ideas. Just because somebody says it is a national front, we are not going to accept it blindly as the national front," Mr Namboodiripad stated.

The Marxist leader reacted strongly to Mr V.P. Singh's stand on the Chinese question and said that in the Janata Dal there were people who did not agree with Mr Singh. "For all we know, Mr Singh himself may change his stand later, but what he said about the India-China relationship, following Mr Rajiv Gandhi's visit, was unintelligent. It means giving a stick to Rajiv Gandhi to beat the Opposition with. That stand will only alienate the people from the Janata Dal and the Opposition," Mr Namboodiripad stated.

(The Janata Dal, at a meeting chaired by Mr V.P. Singh, had accused the Prime Minister of selling out to China in the territorial dispute. However, later Mr V.P. Singh said the report about his party's reaction to Mr Gandhi's visit to China was not the official Janata Dal view. The party's Parliamentary Board's meeting on January 12 would take the official view on the issue).

He remarked "We are not anybody's tail. We have specific and definite views on foreign, domestic, economic and political policies. If the soviet leader, Mr

Mikhail Gorbachev supported Mr Rajiv Gandhi, "it does not mean we will or we should also support Mr Rajiv Gandhi. And, to unseat Mr Rajiv Gandhi from power, we also do not need Mr Gorbachev's support."

**Opposition unity:** To a question on evolving a programmatic base for Opposition unity, Mr Namboodiripad replied that discussions were going on. "There are different views and these views are under discussion, not only within the Janata Dal and the National Front of democratic secular parties, but also among Congressmen. We will shape our policies after evaluating the outcome."

A correspondent asked: "Does it mean you will have a relationship with Congressmen also?"

Mr Namboodiripad retorted: "Not with those Congressmen, who want Mr Rajiv Gandhi to remain in power. Defeating Rajiv Gandhi is a national necessity."

Another correspondent asked: "Do you think, against the political background of the leaders of the Janata Dal and the National Front, there could be real unity of Opposition parties?"

Mr Namboodiripad quipped: "When I say there will be unity, I say so because we are also talking to these people. We also know them."

His stress seemed to be on the national compulsion to have a united Opposition composed on the basis of an agreed programme. That agreed programme would depend on the outcome of the discussions now going on within the secular, democratic parties. The left parties, particularly the CPI(M) would lend its support to that united Opposition only if it could agree with the programme. The programme was as important as ousting Mr Rajiv Gandhi from power. The two were not inseparable.

Bourers, village uplift, administration of temple, family welfare, sharing of the cauvery waters, implementing the Telugu-Ganga and Sethusamudram project. [as published] The manifesto made special mention of turning west-flowing rivers for better utilisation in Tamil Nadu, streamlining sales tax, etc.

**Merger issue:** The merger of the two communist parties is not there in the agenda today, Mr Namboodiripad said in reply to a question. He clarified that a lot still remained to be done to remove the present impediments.

He said that when he spoke at the public meeting at the end of the 13th CPI(M) Congress, all that he had said was that the "way has been cleared for the unity of the left parties. And, when you speak of unity of left parties, the priority goes to the unity of the communist parties. But, unity is not merger," he asserted.

Mr Namboodiripad clarified that he had chosen his words very carefully. What he had said was that "the way has been cleared for the unity of the left parties and in the unity of left parties, uppermost in his mind was unity with the CPI. You (pressmen) mistook it for merger."

Another Correspondent asked: "Isn't unity there even now and why did you stress that point?"

The CPI(M) leader explained: "Yes, unity is there, but not in all respects. For example, there are some problems in Tamil Nadu, Andhra Pradesh, Assam, etc. These problems have to be overcome. Even then, the atmosphere for united action by the two communist parties is bright in respect of the work in connection with the 1989 elections to the Lok Sabha."

### Lok Sabha Adopts Two Election Reform Bills

#### Proceedings, Gandhi Speech

46001280 Madras THE HINDU in English  
18 Dec 88 p 1

[Text] New Delhi, Dec 15. The Lok Sabha today passed by a massive majority the two Bills seeking to introduce major electoral reforms after a two-day debate in the course of which the Prime Minister, Mr Rajiv Gandhi, described the proposed reforms as 'historic' and turned down the Opposition criticism of some of the proposals.

The Constitution Amendment Bill, providing for lowering the voting age from 21 years to 18, was adopted near-unanimously with 387 of the 389 members present voting for it and none against. This was in line with the trend of the discussion in which members, cutting across party lines, welcomed the move which would bring into the electoral process an estimated 47 million additional young voters.

The Bill to amend the Representation of the People Act, envisaging measures to plug loopholes and eliminated malpractices in the conduct of elections, was also adopted by a large majority. Unlike the Constitution Amendment Bill, however, it evoked sharp criticism from the entire Opposition on the ground that it fell short of their expectations, and seemed to be a piecemeal effort.

#### Amendment Adopted

The Opposition moved a number of amendments, but barring one, the rest were rejected by the House. The Amendment, which was accepted by the Government and later brought in as an official motion, sought to make misuse of religious institutions as one of the grounds for disqualification in elections. This suggestion was initially made by Mr Madhu Dandavate (Janata) and Mr Harobhai Mehta (Congress-I).

Earlier, intervening in the discussion, the Prime Minister, Mr Rajiv Gandhi, rejected the Opposition objections to the various provisions of the Representation of the People Act and described it as a 'historic and revolutionary' legislation. He said that some members suffered from 'peripheral myopia' and hence their observation that the Bill had touched only the 'peripheral issues'.

It was a 'very major legislation' and aimed at strengthening the roots of democracy in the country.

For the first time in 40 years, Mr Gandhi said, major issues on electoral reforms were being sought to be addressed as part of a process which the Government began with the introduction of the anti-defection Bill. Secularism was one of the major areas to which the Bill addressed itself by requiring that all political parties declare their allegiance to the concept of secularism as enshrined in the Constitution while seeking registration.

The Prime Minister said that it was in this spirit that the Government had decided to accept the suggestion made by Mr Madhu Dandavate (Janata) and Mr Harooobhai Mehta (Congress I) that misuse of religious institutions should be included as one of the grounds for disqualification in elections. The Government, he said, would bring its own amendment based on the suggestion. (An amendment was later brought and passed.)

#### **Status of Commission**

About the status of the Election Commission, Mr Rajiv Gandhi said that his party had 'full faith' in it and those who were demanding a multi-member commission seemed to doubt its independence. The proposals made in the Bill sought to strengthen the Commission, and for the first time, the Chief Election Commissioner would have more effective powers to deal with the 'task given to him.' Rejecting the demand for State funding of political parties or candidates for contesting elections, he said that this would not curb the role of money power. There was a case for curbing election expenses and the Government was willing to consider concrete suggestions.

#### **Identity Cards**

The Prime Minister agreed that introduction of identity cards was not an easy task, but pointed out that he was keen on setting the process in motion despite some difficulties. Earlier, Mr Indrajit Gupta (CPI) and some others had demanded that if identity cards were to be introduced, they should be 'multi-purpose' cards and not restricted to voting. Mr Rajiv Gandhi dwelt at length on the functioning of Indian democracy and paid tribute to the people for making it a success. By lowering the voting age, the Government had reposed faith in the youth.

The Law Minister, Mr B. Shankaranand clashed with the Opposition members several times while reacting to the points raised by them. There were protests from Mr Madhu Dandavate, Mr Somnath Chatterjee (CPI-M)

and Mr Dinesh Goswami (AGP), among others, when he said that some Opposition members did not want the Election Commission to be strengthened. At one stage, he asked an Opposition member to 'behave' himself, taking exception to what he described as a personal remark about him. His earlier intervention was relatively a quiet affair during which he more or less reiterated what the Prime Minister had said. He urged the members not to 'divide ourselves' on the Bills under discussion because they aimed at strengthening democracy.

#### **Text of Amendment Bill (Part I)**

46001280 Calcutta THE TELEGRAPH in English  
13 Dec 88 p 7

[First paragraph is editorial introduction]

[Text] This is the text of the Representation of the People (Amendment) Bill, 1988, that will be debated in Parliament this week.

#### **CHAPTER I**

1. (1) This act may be called the Representation of the People (Amendment) Act, 1988.

(2) It shall come into force on such date as the central government may, by notification in the official gazette, appoint and different dates may be appointed for different provisions of this Act shall be construed as a reference to the coming into force of that provision.

#### **CHAPTER II**

##### **Amendment of the Representation of the People Act, 1950:**

2. In part 11A of the Representation of the People Act, 1950 after Section 13C, the following section shall be inserted namely:

13CC. The officers referred to in this part and any other officer or staff employed in connection with the preparation, revision and correction of the electoral rolls for and the conduct of all elections shall be deemed to be on deputation to the Election Commission for the period during which they are so employed and such officers and staff shall during that period be subject to the control superintendence and discipline of the Election Commission.

#### **CHAPTER III**

##### **Amendments of the Representation of the People Act, 1951:**

3. In Section two of the Representation of the People Act, 1951 (hereafter in this chapter referred to as the principal Act), after Clause (e) the following clause shall be inserted namely:



(F) "Political party" means an association or body of individual citizens of India registered with the Election Commission as a political party Under Section 29A.

4. In Section 8 of the principal Act, (a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:

(1) A person convicted of an offence punishable under—

(A) Section 153A (promoting enmity between different groups on grounds of religion, race, place of birth, residence, language etc., and doping acts prejudicial to maintenance of harmony) or section 171E (offence of bribery) or Section 171F (offence of undue influence or personation at an election) or sub-section (1) or sub-section (2) of Section 376 or Section 376A or Section 376B or Section 376C or Section 376D (offences relating to rape) or Section 498A (offence of cruelty towards a woman by husband or relative of a husband) or sub-section (2) or sub-section (3) of Section 505 (statement creating or promoting enmity, hatred or ill-will between classes or offence relating to such statement in any place of worship or in any assembly engaged in the performance of religious worship or religious ceremonies) of the Indian Penal Code, or

(B) The protection of Civil Rights Act, 1965 which provides for punishment for the preaching and practice of "untouchability," and for the enforcement of any disability arising therefrom, or

(C) Section 11 (importing or exporting of prohibited goods) of the Customs Act, 1962, or

(D) Sections 10 to 12 (offence of being a member of an association declared unlawful, offence relating to dealing with funds of an unlawful association, offence relating to contravention of an order made in respect of a notified place) of the Unlawful Activities (Prevention) Act, 1967, or

(E) The Foreign Exchange (Regulation) Act, 1973, or

(F) The Narcotic Drugs and Psychotropic Substances Act, 1985, or

(G) Section 3 (offence of committing terrorist acts) or Section 4 (offence of committing disruptive activities) of the Terrorist and Disruptive Activities (Prevention) Act, 1987, or

(H) Section 125 (offence of promoting enmity between classes in connection with the election) or Section 135 (removal of ballot papers from polling stations) or Section 135A (offence of booth capturing) or Clause (A) of sub-section (2) of Section 136 (offence of

fraudulently defacing or fraudulently destroying any nomination paper) of this Act, shall be disqualified for a period of six years from the date of such conviction.

(2) A person convicted by a court in India for the contravention of:

(a) Any law providing for the prevention of hoarding or profiteering, or

(b) Any law relating to the adulteration of food or drugs, or

(c) Any provisions of the Dowry Prohibition Act, 1961, or

(d) Any provision of the Commission of Sati (Prevention) Act, 1987, and sentenced to imprisonment for not less than six months, shall be disqualified from the date of such conviction and shall continue to be disqualified for a further period of six years since his release.

(3) A person convicted by a court in India for any offence and sentenced to imprisonment for not less than two years (other than any offence referred to in sub-section (1) or sub-section (2)) shall be disqualified from the date of such conviction and shall continue to be disqualified for a further period of six years since his release.

(b) Sub-section (3) shall be renumbered as sub-section (4) thereof, and in sub-section (4) as so renumbered, for the words, brackets and figures "in sub-section, (1) sub-section K(2)," the words brackets and figures "in sub-section, (1) sub-section (2) or sub-section (3)" shall be substituted.

5. After Section 28 of the principal Act, the following section shall be inserted, namely:

"28A. The returning officer, assistant returning officer, presiding officer, polling officer and any other officer appointed under this part, and any police officer designated for the time being by the state government, for the conduct of any elections shall be deemed to be on deputation to the Election Commission for the period commencing on and from the date of the notification calling for such elections and ending with the date of declaration of the results of such elections and such officers shall, during that period, be subject to the control, superintendence and discipline of the Election Commission."

6. After part IV of the principal Act, the following part shall be inserted, namely:

"Part IV A": registration of political parties

29A. (1) Any association or body of individual citizens of India calling itself a political party and intending to

avail itself of the provisions of this part shall make an application to the Election commission for its registration as a political party for the purposes of this Act.

(2) Every such application shall be made—

(a) If the association or body is in existence at the commencement of the Representation of the People (Amendment) Act, 1988, with 30 days next following such commencement,

(b) If the association or body is formed after such commencement, within 60 days next following the date of its formation.

(3) Every application under sub-section (1) shall be signed by the chief executive officer of the association or body (whether such chief executive officer is known as secretary or by any other designation) and presented to a secretary to the Commission or sent to such secretary by registered post.

(4) Every such application shall contain the following particulars, namely:

(a) The name of the association or body,

(b) The state in which its head office is situated,

(c) The address to which letters and other communications meant for it should be sent,

(d) The names of its president, secretary, treasurer and other office-bearers,

(e) The numerical strength of its members, and if there are categories of its members, the numerical strength in each category,

(f) Whether it has any local units, if so, at what levels,

(g) Whether it is represented by any member or members in either House of Parliament or of any state legislature, if so, the number of such member or members.

(5) The application under sub-section (4) shall be accompanied by a copy of the memorandum or rules and regulations of the association or body, by whatever name called, and such memorandum or rules and regulations shall contain a specific provision that the association or body shall bear true faith and allegiance to the constitution of India as by law established and to the principle of socialism, secularism and democracy and would uphold the sovereignty, unity and integrity of India.

(6) The commission may call for such other particulars as it may deem fit from the association or body.

(7) After considering all the particulars as aforesaid in its possession and any other necessary and relevant factors and after giving the representatives of the association or body reasonable opportunity of being heard, the commission shall decide either to register the association or body as a political party for the purposes of this part, or not so to register it, and the commission shall communicate its decision to the association or body, provided that no association or body shall be registered as a political party under this sub-section unless the memorandum or rules and regulations of such association or body conform to the provisions of sub-section (5).

(8) The decision of the commission shall be final.

(9) After an association or body has been registered as a political party as aforesaid, any change in its name, head office, officebearers, address or political principles, policies, aims and objects and any change in any other material matters shall be communicated to the commission without delay."

7. In Section 33 of the principal Act, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

Provided further that in the case of a local authorities' constituency, graduates' constituency or teachers' constituency, the reference to "an elector of the constituency as proposer" shall be construed as a reference to "ten percent of the electors of the constituency or ten such electors, whichever is less, as proposers.

8. In Section 39 of the principal Act, in sub-section (2), in the proviso, Clause (AA) shall be relettered as Clause (AB) thereof, and before Clause (AB) as so relettered, the following clause shall be inserted, namely:—

(AA) The reference in the opening paragraph of sub-section (1) of Section 33 to "an elector of the constituency as proposer" shall be construed as a reference to "ten percent of the elected members or of the members of the legislative Assembly of a state or of the members of the electoral college of a Union Territory, as the case may be or 10 members concerned, whichever is less, as proposers."

Provided that where as a result of the calculation of the percentage referred to in this clause, the number of members arrived at is a fraction, if the fraction so arrived at is more than one-half it shall be counted as one, and if the fraction so arrived at is less than one-half it shall be ignored,

9. In section 58 of the principal Act: (A) In sub-section (1) after clause (A), the following clause shall be inserted, namely:

" (AA) Any voting machine develops a mechanical failure during the course of the recording of votes, or."

(AB) In sub-section (2), in Clause (B) after the words "Result of the election or that," the words "the mechanical failure of the voting machine or" shall be inserted.

10. After Section 58 of the principal Act, the following section shall be inserted, namely:—

"58A. (1) If at any election—(A) Booth capturing has taken place at a polling station or in such number of polling stations as is likely to affect the result of such election or that the result of the poll at that polling station cannot be ascertained.

**Text of Amendment Bill (Part II)**

46001280 Calcutta THE TELEGRAPH in English  
15 Dec 88 p 5

[First paragraph is editorial introduction]

[Text] This is the concluding part of the text of the Representation of the People (Amendment) Bill, 1988, which has been tabled in Parliament:

10. After Section 58 of the principal Act, the following section shall be inserted, namely:

58A. (1) If at any election—(A) Booth capturing has taken place at a polling station or in such number of polling stations as is likely to affect the result of such election on that the result of the poll at the polling station cannot be ascertained.

(B) Booth capturing takes place in any place for counting of votes in such a manner that the result of the counting at that place cannot be ascertained, the returning officer shall forthwith report the matter to the Election Commission.

(2) The Election Commission shall on the receipt of a report from the returning officer under sub-section (1) and after taking all material circumstances into account, either—

(A) Declare that the poll at that polling station be void, appoint a day, and fix the hours, for taking fresh poll at that polling station and notify the date so appointed and hours so fixed in such manner as it may deem fit, or

(B) If satisfied that in view of the large number of polling stations involved in booth capturing the result of the election is likely to be affected, or that booth capturing, had affected counting of votes in such a manner as to affect the result of the election, countermand the election in that constituency.

Explanation—in this section "booth capturing" shall have the same meaning as in Section 135A.

11. After Section 61 of the principal Act, the following section shall be inserted, namely:—

61A. Notwithstanding anything contained in this Act or the rules made thereunder, the giving and recording of votes by voting machines in such manner as may be prescribed, may be adopted in such constituency or constituencies as the Election Commission may, having regard to the circumstance of each case, specify.

Explanation—for the purpose of this section, "voting machine" means any machine or apparatus operated electronically or otherwise used for giving or recording of votes and any reference to a ballot box or ballot paper in this Act or the rules made thereunder shall, save as otherwise provided, be construed as including a reference to such voting machine wherever such voting machine is used at any election.

12. In Section 77 of the principal Act, in sub-section (1), explanation 2 shall be omitted.

13. In Section 123 of the principal Act: (A) After Clause (7) and before the explanation, the following clause shall be inserted, namely:

"(B) Booth capturing by a candidate or his agent or by other persons."

14. In Section 127 of the principal Act: In sub-section (1), for the words "shall be punishable with fine which may extend to two hundred and fifty rupees," the words "shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to one thousand rupees or with both" shall be substituted.

15. After Section 135 of the principal Act, the following section shall be inserted, namely:

135A. Whoever commits an offence of booth capturing shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to two years and with fine, and where such offence is committed by a person in the service of the government, he shall be punishable with imprisonment for a term which may extend to three years and with fine.

(B) In the explanation, after Clause (3), the following clause shall be inserted, namely:—

"(4) For the purpose of Clause (8), "booth capturing" shall have the same meaning as in Section 135A.

Explanation—for the purposes of this section, "booth capturing" includes, among other things, all or any of the following activities, namely:—

(A) Seizure of a polling station by any person or persons, making polling authorities surrender the ballot papers or voting machines and doing of any other act which affects the orderly conduct of elections,



(B) Taking possession of a polling station by any person or persons and allowing only his or their own supporters to exercise their right to vote and prevent others from voting,

(C) Threatening any elector and preventing him from going to the polling station to cast his vote,

(D) Seizure of a place for counting of votes by any person or persons, making the counting authorities surrender the ballot papers or voting machines,

(E) Taking possession of a place for counting of votes.

16. In Section 169 of the principal Act, in sub-section (2):

(I) After Clause (E), the following clause shall be inserted, namely:

“(EE) The giving and recording of votes by means of voting machines and the procedure as to voting to be followed at polling machines where such machines are used.”

(II) After Clause (G), the following clause shall be inserted namely:—

“(GG) The procedure as to counting of votes recorded by means of voting machines,”

(III) In Clause (H), for the words “ballot boxes,” the words “ballot boxes, voting machines” shall be substituted.

#### **Both Houses Pass Bill**

46001280 Bombay *THE TIMES OF INDIA* in English  
21 Dec 88 p 1

[Text] New Delhi, December 20 (PTI). Parliament today approved two history-making legislations paving the way for reducing the voting age from 21 to 18 and eliminating “caste money and muscle power” from the electoral system.

The twin legislations—the constitution 62nd (amendment) bill and the representation of people (amendment) bill—which had secured the assent of the Lok Sabha last week were adopted by the Rajya Sabha today.

While the constitution amendment bill received unanimous support, the opposition had moved over 82 amendments to the second legislative measure. These were later rejected.

An estimated 50 million youth will be eligible to exercise their franchise following the decision to lower the voting age.

During his intervention in both houses last week, the Prime Minister had described the measures as both historic and revolutionary.

In his 90 minute reply in the Rajya Sabha, the minister of state for law and justice, Mr H. R. Bhargava, said ratification by the states was necessary to implement the constitution amendment bill reducing the voting age. He requested the state governments to do this speedily.

The minister ruled out state funding and a separate secretariat for the election commission.

Mr Bhargava who was repeatedly interrupted by the opposition said that 13 of the 16 recommendations of the election commission on electoral reforms had been met in the bills.

The three recommendations which had not been incorporated related to elimination of nonserious candidates, delimitation of constituencies and state funding of elections.

Referring to the introduction of multipurpose identity cards, the minister said it would be done by amending the rules and in consultation with state governments.

He said the government was determined to ban communalism and contended that the list system, a demand for which was made by several opposition members, was not in the country's interests. “Each voter is keen to cast his vote” for the candidate of his choice and the list system did not permit this, the minister said.

Mr Bhargava maintained that state funding would not eliminate the menace of money power, he said the government had never interfered in the functioning of the election commission and pointed out that the commission was a constitutional authority and not a limb of the government.

The Lok Sabha had passed the two historic bills on December 15 after the Prime Minister, Mr Rajiv Gandhi announced that multi purpose identity cards would be issued to all voters and rejected the demands for a multi member election commission and state funding of elections.

The two bills seek to do away with the anomalies that had existed in the electoral system and aimed at enabling the majority of voters to exercise their franchise freely.

The salient features of the representation of people act amendment bill includes provision for introduction of electronic voting machines, makes booth capturing a cognisable offence with deterrent punishment and increases the number of offences which would entail disqualification for convicts from contesting elections.

During the discussion on the bill in the Rajya Sabha members demanded more effective and comprehensive measures to cleanse the political system of muscle and money power.

#### Non-Serious Candidates

UNI adds: Mr Bharadwaj said the government has an open mind on the question of eliminating "non-serious candidates" contesting elections.

The commission has suggested that the deposit amount should be raised. But this alone could not eliminate non-serious candidates. "We still have an open mind on the issue. Non-serious candidates should be eliminated," Mr Bharadwaj said adding that he had invited suggestions from members in this regard.

### IRAN

#### Commentary Views Rise of New Privileged Class 46000110 Karachi DAWN in English 19 Feb 89 p 9

[Commentary by Ahmad Vahdatkahr: "New Privileged Class in Iran"]

[Text] Ten years after the fall of the Shah of Iran and the flight of thousands of wealthy and influential families, a new elite has established itself in the Islamic Republic.

Critics say that the majority of Iran's nearly 50 million people live in poverty after a decade of revolution and eight years of war with Iraq, a new "ruling class" of privileged people has emerged.

According to a survey by the Tehran daily KAYHAN, "more than five million Iranians earn only half a dollar a day and up to 80 percent of the population lives on the poverty line."

Vocal critics inside Iran say the new elite includes religious leaders, merchants and the families of those "martyred" in the Gulf war.

Spiritual leader Ayatollah Ruhollah Khomeini has warned against greed and corruption and spoken public against Mullahs who have "dropped their revolutionary ideas and become supporters of capitalist Islam."

The rise of the new class began soon after the wealthy supporters of Shah Mohammed Reza Pahlavi followed or preceded him into exile a decade ago. Many abandoned richly-furnished mansions in the northern suburbs of Tehran—but the property did not stay empty for long.

Houses were taken over by new leaders and their bodyguards, and in many instances valuable pictures and art objects were sold to galleries around Europe.

The most powerful financial organisation to fall into the hands of the new regime was the Pahlavi Foundation, a multi-billion-dollar "educational" empire which effectively controlled Iran's entire economy, including the oil industry, and paid for the armed forces.

The Pahlavi Foundation has given way to the Moustazafin (Deprived) Foundation, which reports direct to the Iranian Majlis (Parliament). The Foundation's Martyrs Branch, with an annual budget of \$2 billion, is responsible for provision of a wide range of social services for the families of the one million Iranian soldiers and Revolutionary Guards reportedly killed in the Gulf war.

Critics say a "martyr's" identity card has become the password to entry to college or university without qualification, and to acquire a trade licence enabling the holder to buy foreign exchange at lower rates and import a wide range of goods.

While most middle- and working-class Iranians queue for hours for a weekly two-kilo ration of meat for a family of six, members of the Moustazafin Foundation receive regular home deliveries of basic goods in whatever quantities they wish. Critics say surplus food coupons and trade licences obtained by some members are sold in the black market, reportedly the most lucrative business in Iran today.

Eight years of war also has bred a new, wealthy class of merchants. Their massive profits were disclosed recently in a report by a parliamentary group led by Muhammed Asgharzadeh, who called them "the real winners" of the war.

"In our researches into the expense of the war and the public's contribution to sustain it, we came to realise that as few as 3,000 merchants and bazaar business people were making an annual profit of twice as much as the entire war expense," he said.

"This is disgraceful, and I have no doubt that those who can plunder a nation so much during war-time can easily do the same in peace."

The growth in wealth of a minority of Iranians at the expense of the majority has prompted public outrage.

In a January survey, KAYHAN referred to "the shocking economic facts of the nation." It blamed "pseudo-religious foundations and corrupt economic centres within the system" as the "fount of property in Iran." Publication of the survey coincided with the end of a controversial trial in Tehran, in which Mussavi Qumi, chairman of the Nabovat Foundation, was sentenced to death for embezzling more than \$80 million in public funds.

During the trial, which lasted six months, the prosecutor ruled that some parts of the hearing should be held in private because "names of some government officials may be mentioned and certain vicious-minded circles would capitalise on the matter."

When the trial opened, the prosecution warned, "This is not political trial to be manipulated by opposite interest groups, it is a fraud case."

Twice during the trial, however, the offices of President Ali Khamenei and Prime Minister Hussein Mussavi issued statements denying involvement of their personnel in the case. Qumi named high officials from both offices as helping his bogus charity organisation to obtain import contracts, buying massive stocks of building materials, cars and spare parts, electrical goods and foodstuffs for resale on the black market.

The Nabovat Foundation is one of several hundred semi-official "charity" organisations ordered closed in recent weeks.

Said Ali Zavarei, a member of the parliamentary committee set up to monitor acquisition of wealth, "I am stunned by the fact that 99 percent of all the corrupt and

plundering centres in this country have operated behind the cover of our sacred religious symbols and names."

Another official, Morteza Razavi, told students at Tehran University that the gap between rich and poor in Iran had reached the stage where "the majority of the Iranian people will face starvation in 15 years' time if current economic injustices continue."

Faced with growing public concern, in January several MPs pressed unsuccessfully for the second time in nine years for implementation of Article 142 of the Islamic Constitution. This requires all high Iranian officials, including the president, prime minister and religious leaders, to provide a detailed account of their own and their families' wealth before and after the revolution.

The move was rejected after Speaker Ali Hashemi Rafsanjani told MPs that this was "not the right time" for introduction of such Bills and that implementation of Article 142 "could have political implications."

Ayatollah Khomeini has joined the condemnations of corruption. He warned Mullahs, "Unless you give up your colourful material life and join the barefoot masses of the shanty houses, we shall not be able to deliver the revolutionary message of Islam to the millions of deprived people who are watching all of us."



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